Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 6480
June 10, 2025

To our shareholders:

Mikihito Hosono, President & COO
NIPPON THOMPSON CO., LTD.
19-19 Takanawa 2-chome, Minato-ku, Tokyo

NOTICE OF THE 76TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 76th Ordinary General Meeting of Shareholders of NIPPON THOMPSON CO., LTD. (the "Company"), which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing in electronic format the information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. (items for which measures for providing information in electronic format are to be taken). This information is posted on each of the following websites, so please access either of those websites to confirm the information.

The Company's website:
https://www.ikont.co.jp/ (in Japanese)
(From the above website, select "Investor Relations," "IR Library," then "General Shareholders Meeting.")

Website for posted informational materials for the general meeting of shareholders:
https://d.sokai.jp/6480/teiji/ (in Japanese)

TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)
(Access the TSE website by using the internet address shown above, enter "Nippon Thompson" in "Issue name (company name)" or the Company's securities code "6480" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

If you will not be attending the meeting in person, you may exercise your voting rights via the Internet, etc., or by postal mail. Please review the Reference Documents for the General Meeting of Shareholders (Japanese only) and exercise your voting rights no later than 5:12 p.m., Thursday, June 26, 2025 (Japan Standard Time).

1. **Date and time:** Friday, June 27, 2025 at 10:00 a.m. (Japan Standard Time)
2. **Venue:** Headquarters Building of NIPPON THOMPSON CO., LTD.
   19-19 Takanawa 2-chome, Minato-ku, Tokyo
3. **Purposes:**

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 76th Term (from April 1, 2024 to March 31, 2025), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. Non-Consolidated Financial Statements for the 76th Term (from April 1, 2024 to March 31, 2025)

Items to be resolved:

Proposal 1: Appropriation of surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal 4: Election of four (4) Directors who are Audit and Supervisory Committee Members

Proposal 5: Determination of amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal 6: Determination of amount of remuneration for Directors who are Audit and Supervisory Committee Members

Proposal 7: Determination of amount and content of share-based remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-Executive Directors)

Proposal 8: Partial Change and Continuance of Countermeasures to Large-Scale Acquisition Actions of the Company's Shares (Takeover Countermeasures)

4. Matters decided in connection with this convocation

(1) If there is no indication of a vote for or against any proposal on the voting form, it shall be treated as an indication of a vote for the proposal.

(2) If voting rights are exercised both in writing (by mail) and via the Internet, etc., the exercise of voting rights via the Internet, etc., shall be treated as the valid exercise of voting rights. In addition, if voting rights are exercised multiple times via the Internet, etc., the final votes submitted shall be treated as the valid exercise of voting rights.

1. If you plan to attend the meeting in person, please present the voting form at the reception desk upon your arrival.
2. The reception desk is scheduled to open at 9:00 a.m. (Japan Standard Time) on the day of the meeting.
3. Please understand that no gifts will be offered to the shareholders attending the meeting.
4. If any changes have been made to the matters subject to measures for electronic provision, a notice of the changes and the details of the matters before and after the changes will be posted on each of the website.
5. Documents containing matters subject to measures for electronic provision are also sent to shareholders who have requested paper-based documents. However, the following matters shall not be included in the paper-based documents in harmony with laws and regulations and the provision in Article 20 of the Articles of Incorporation.
   (1) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" from among consolidated financial statements
   (2) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" from among financial statements

   Therefore, the consolidated financial statements and financial statements mentioned in these documents are among the documents audited by the financial auditor when preparing the Accounting Audit Report and when Corporate Auditors prepared the Audit Report.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of surplus

Matters concerning year-end dividends

The Company positions the distribution of profits to shareholders as an important management issue, and its basic policy is to maintain a stable dividend, while comprehensively taking into consideration factors such as the level of business performance.

For the fiscal year under review, based on this basic policy, the Company proposes to pay a fiscal year-end dividend per share of 9.50 yen, equivalent to an annual dividend per share of 19 yen, when combined with the interim dividend.

(1) Allotment of dividend property to shareholders and its total amount
9.50 yen per share of common stock of the Company
Aggregate amount 669,004,545 yen

(2) Effective date of dividends of surplus
June 30, 2025

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments
   (1) The Company proposes to transition from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee in order to enable faster and more efficient decision-making and business execution by the management, and to further strengthen and enhance the corporate governance system and further increase corporate value by strengthening the supervisory function of the Board of Directors by including Audit and Supervisory Committee Members, who are in charge of auditing Directors' execution of duties, as members having the right to vote in the Board of Directors. In line with this, the Company will make amendments necessary for the transition to a company with an Audit and Supervisory Committee, including the establishment of new provisions concerning Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and the deletion of provisions concerning Corporate Auditors and the Board of Corporate Auditors.
   (2) In addition, necessary amendments will be made, such as changes in numbering of articles and modifications in wording in accordance with the above amendments. Note that the amendments to the Articles of Incorporation under this proposal will become effective at the conclusion of this ordinary general meeting of shareholders.
2. Details of amendments
   The details of the amendments are as follows.

(Underlined sections indicate changed parts)

Current Articles of Incorporation	Proposed amendments
Chapter 1. General Provisions	Chapter 1. General Provisions
Article 1 to Article 3 (Omitted)	Article 1 to Article 3 (Unchanged)
Article 4 (Organs) The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors. 1. Board of Directors 2. Corporate Auditors 3. Board of Corporate Auditors 4. Accounting Auditor	Article 4 (Organs) The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors. 1. Board of Directors 2. Audit and Supervisory Committee (Deleted) 3. Accounting Auditor
Article 5 (Method of Public Notices) (Omitted)	Article 5 (Method of Public Notices) (Unchanged)
Chapter 2. Shares	Chapter 2. Shares
Article 6 to Article 13 (Omitted)	Article 6 to Article 13 (Unchanged)
Chapter 3. General Meeting of Shareholders	Chapter 3. General Meeting of Shareholders
Article 14 to Article 20 (Omitted)	Article 14 to Article 20 (Unchanged)
Chapter 4. Directors and Board of Directors	Chapter 4. Directors and Board of Directors
Article 21 (Number of Directors) The Company shall have no more than fifteen (15) Directors.	Article 21 (Number of Directors) (1) The Company shall have no more than fifteen (15) Directors (excluding Directors who are Audit and Supervisory Committee Members).
(Newly established)	(2) The Company shall have no more than five (5) Directors who are Audit and Supervisory Committee Members.
Article 22 (Method of Appointment) (1) Directors shall be appointed by the General Meeting of Shareholders.	Article 22 (Method of Appointment) (1) Directors shall be appointed by the General Meeting of Shareholders with a distinction made between Directors who are Audit and Supervisory Committee Members and the other Directors.
(2) (Omitted)	(2) (Unchanged)
(3) (Omitted)	(3) (Unchanged)

Current Articles of Incorporation	Proposed amendments
Article 23 (Term of Office)	Article 23 (Term of Office)
(1) The terms of office of Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last business year ending within one (1) year from the appointment.	(1) The terms of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last business year ending within one (1) year from their appointment.
(Newly established)	(2) The terms of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last business year ending within two (2) years from their appointment.
(2) The term of office of a Director appointed as an additional Director or a substitute Director shall expire when the term of office of each incumbent Director expires.	(3) The term of office of a Director who is an Audit and Supervisory Committee Member appointed as a substitute for a Director who is an Audit and Supervisory Committee Member who retired before completing the term of office shall expire when the term of office of the Director who is an Audit and Supervisory Committee Member who retired expires.
(Newly established)	(4) A resolution to appoint a substitute Director who is an Audit and Supervisory Committee Member shall be valid until the beginning of the Ordinary General Meeting of Shareholders pertaining to the last business year ending within two (2) years from the appointment.
Article 24 (Representative Directors and Directors with Titles)	Article 24 (Representative Directors and Directors with Titles)
(1) The Board of Directors shall appoint a Representative Director by its resolution.	(1) The Board of Directors shall appoint a Representative Director from among Directors (excluding Directors who are Audit and Supervisory Committee Members) by its resolution.
(2) The Board of Directors may appoint one (1) Chairman, one (1) President, and limited numbers of Vice Presidents, Senior Managing Directors, and Managing Directors by its resolution.	(2) The Board of Directors may appoint one (1) Chairman, one (1) Vice Chairman, one (1) President, and limited numbers of Vice Presidents, Senior Managing Directors, and Managing Directors by its resolution from among Directors (excluding Directors who are Audit and Supervisory Committee Members).
Article 25 (Convener and Chairperson of Meetings of Board of Directors)	Article 25 (Convener and Chairperson of Meetings of Board of Directors)
(Omitted)	(Unchanged)
Article 26 (Convocation Notices for Meetings of Board of Directors)	Article 26 (Convocation Notices for Meetings of Board of Directors)
(1) A convocation notice for a meeting of the Board of Directors shall be issued to each Director and each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in case of emergency.	(1) A convocation notice for a meeting of the Board of Directors shall be issued to each Director at least three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in case of emergency.
(2) If the consent of all Directors and Corporate Auditors is obtained, a meeting of the Board of Directors may be held without convocation procedures.	(2) If the consent of all Directors is obtained, a meeting of the Board of Directors may be held without convocation procedures.
Article 27 (Method of Resolution by Board of Directors)	Article 27 (Method of Resolution by Board of Directors)
(Omitted)	(Unchanged)
(Newly established)	Article 28 (Delegation of Decisions on Important Business Execution) Pursuant to the provisions of Article 399-13, Paragraph (6) of the Companies Act, the Company may delegate all or some of the decisions on important business execution (excluding the matters stipulated in each item of paragraph (5) of the same Article) to a Director or Directors by a resolution made by the Board of Directors.

Current Articles of Incorporation	Proposed amendments
Article 28 (Minutes for Meetings of Board of Directors) A summary of the proceedings at a meeting of the Board of Directors, the results thereof, and other matters prescribed by laws and regulations shall be stated or recorded in minutes, and the Directors and Corporate Auditors present shall sign and affix their seals or affix their electronic signatures on the minutes.	Article 29 (Minutes for Meetings of Board of Directors) A summary of the proceedings at a meeting of the Board of Directors, the results thereof, and other matters prescribed by laws and regulations shall be stated or recorded in minutes, and the Directors present shall sign and affix their seals or affix their electronic signatures on the minutes.
Article 29 (Regulations of Board of Directors) (Omitted)	Article 30 (Regulations of Board of Directors) (Unchanged)
Article 30 (Remuneration, etc.) The remuneration, bonuses, and other financial benefits to be received by Directors from the Company as consideration for the execution of their duties shall be determined by a resolution made by the General Meeting of Shareholders.	Article 31 (Remuneration, etc.) The remuneration, bonuses, and other financial benefits to be received by Directors from the Company as consideration for the execution of their duties shall be determined by a resolution made by the General Meeting of Shareholders with a distinction made between Directors who are Audit and Supervisory Committee Members and the other Directors.
Article 31 (Liability Limitation Agreement with Outside Director) Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company may enter into an agreement with an Outside Director to limit their liability for damages under Article 423, Paragraph (1) of the same Act if they have acted in good faith and without gross negligence; provided, however, that the maximum amount of liability for damages under the agreement shall be the minimum liability amount prescribed by laws and regulations.	Article 32 (Liability Limitation Agreement with Director) Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director (excluding those who are executive directors) to limit their liability for damages under Article 423, Paragraph (1) of the same Act if they have acted in good faith and without gross negligence; provided, however, that the maximum amount of liability for damages under the agreement shall be the minimum liability amount prescribed by laws and regulations.
Chapter 5. Corporate Auditors and Board of Corporate Auditors	(Deleted)
Article 32 (Number of Corporate Auditors) The Company shall have no more than five (5) Corporate Auditors.	(Deleted)
Article 33 (Method of Appointment) (1) Corporate Auditors shall be appointed by the General Meeting of Shareholders. (2) A resolution to appoint Corporate Auditors shall be made by a majority of the votes of shareholders present at the meeting where shareholders holding one third (1/3) or more of the total voting rights of shareholders entitled to exercise the voting rights are present.	(Deleted)
Article 34 (Term of Office) (1) The terms of office of Corporate Auditors shall expire at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last business year ending within four (4) years from the appointment. (2) The term of office of a Corporate Auditor appointed as a substitute for a Corporate Auditor who retired before completing the term of office shall expire when the term of office of the Corporate Auditor who retired expires.	(Deleted)
Article 35 (Validity of Resolution to Appoint Substitute Corporate Auditor) A resolution to appoint a substitute Corporate Auditor shall be valid until the beginning of the Ordinary General Meeting of Shareholders pertaining to the last business year ending within four (4) years from the appointment.	(Deleted)

Current Articles of Incorporation	Proposed amendments
Article 36 (Full-time Auditor) The Board of Corporate Auditors shall appoint a full-time Corporate Auditor by its resolution.	(Deleted)
Article 37 (Convocation Notices for Meetings of Board of Corporate Auditors) (1) A convocation notice for a meeting of the Board of Corporate Auditors shall be issued to each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in case of emergency. (2) If the consent of all Corporate Auditors is obtained, a meeting of the Board of Corporate Auditors may be held without convocation procedures.	(Deleted)
Article 38 (Method of Resolution by Board of Corporate Auditors) Unless otherwise provided for in laws and regulations, a resolution at a meeting of the Board of Corporate Auditors shall be made by a majority of the Corporate Auditors.	(Deleted)
Article 39 (Minutes for Meetings of Board of Corporate Auditors) A summary of the proceedings at a meeting of the Board of Corporate Auditors, the results thereof, and other matters prescribed by laws and regulations shall be stated or recorded in minutes, and the Corporate Auditors present shall sign and affix their seals or affix their electronic signatures on the minutes.	(Deleted)
Article 40 (Regulations of Board of Corporate Auditors) Matters concerning the Board of Corporate Auditors shall be governed by laws and regulations, the Articles of Incorporation, and the Regulations of the Board of Corporate Auditors determined by the Board of Corporate Auditors.	(Deleted)
Article 41 (Remuneration, etc.) The remuneration, bonuses, and other financial benefits to be received by Corporate Auditors from the Company as consideration for the execution of their duties shall be determined by a resolution made by the General Meeting of Shareholders.	(Deleted)
Article 42 (Liability Limitation Agreement with Outside Corporate Auditor) Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company may enter into an agreement with an Outside Corporate Auditor to limit their liability for damages under Article 423, Paragraph (1) of the same Act if they have acted in good faith and without gross negligence; provided, however, that the maximum amount of liability for damages under the agreement shall be the minimum liability amount prescribed by laws and regulations.	(Deleted)
(Newly established)	Chapter 5. Audit and Supervisory Committee
(Newly established)	Article 33 (Full-time Audit and Supervisory Committee Members) The Audit and Supervisory Committee may appoint a full-time Audit and Supervisory Committee Member by its resolution.

Current Articles of Incorporation	Proposed amendments
(Newly established)	Article 34 (Convocation Notices for Meetings of Audit and Supervisory Committee) (1) A convocation notice for a meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee Member at least three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in case of emergency. (2) If the consent of all Audit and Supervisory Committee Members is obtained, a meeting of the Audit and Supervisory Committee may be held without convocation procedures.
(Newly established)	Article 35 (Method of Resolution by Audit and Supervisory Committee) A resolution at a meeting of the Audit and Supervisory Committee shall be made by a majority of the Audit and Supervisory Committee Members present at the meeting with the presence of a majority of the Audit and Supervisory Committee Members entitled to vote for resolutions.
(Newly established)	Article 36 (Minutes for Meetings of Audit and Supervisory Committee) A summary of the proceedings at a meeting of the Audit and Supervisory Committee, the results thereof, and other matters prescribed by laws and regulations shall be stated or recorded in minutes, and the Audit and Supervisory Committee Members present shall sign and affix their seals or affix their electronic signatures on the minutes.
(Newly established)	Article 37 (Regulations of Audit and Supervisory Committee) Matters concerning the Audit and Supervisory Committee shall be governed by laws and regulations, the Articles of Incorporation, and the Regulations of the Audit and Supervisory Committee determined by the Audit and Supervisory Committee.
Chapter 6. Accounting Auditor	Chapter 6. Accounting Auditor
Article 43 to Article 44	Article 38 to Article 39
(Omitted)	(Unchanged)
Chapter 7. Accounts	Chapter 7. Accounts
Article 45 to Article 48	Article 40 to Article 43
(Omitted)	(Unchanged)

Proposal 3: Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

If "Proposal 2: Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will make the transition to a company with audit and supervisory committee. The term of office of all eight (8) current Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.
Accordingly, the Company proposes the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal).
This proposal will become effective on the condition that the amendments to the Articles of Incorporation under "Proposal 2: Partial Amendments to the Articles of Incorporation" becomes effective.
The candidates for Directors are as follows.

Candidate no.	Name	Gender	Current positions and responsibilities in the Company	Candidate attributes
1	Shigeki Miyachi	Male	Chairman & CEO	Reelection
2	Mikihito Hosono	Male	President & COO	Reelection
3	Nobuya Hideshima	Male	Senior Managing Director, in charge of Production Dept., Sales Dept., Sales Engineering Dept., and Legal Dept.	Reelection
4	Osamu Nishimura	Male	Executive Officer, in charge of Corporate Planning Dept., Personnel and General Affairs Dept., Accounting Dept., and Secretary Dept.	New election
5	Youichi Takei	Male	Non-Executive Director	Reelection Outside Independent
6	Satoshi Saito	Male	Non-Executive Director	Reelection Outside Independent
7	Atsuko Noda	Female	Non-Executive Director	Reelection Outside Independent

<table>
<tr><th>Candidate no.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions, responsibilities, and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Shigeki Miyachi
(April 14, 1956)
Gender: Male
Reelection</td><td>Apr. 1979
Oct. 2008

Jan. 2009
June 2010

June 2012
Apr. 2025</td><td>Joined The Tokai Bank, Limited (currently MUFG Bank, Ltd.)
Joined the Company, General Manager attached to Director in charge of Corporate Planning Dept.
General Manager of Corporate Planning Dept.
Managing Director and General Manager of Corporate Planning Dept.
President & CEO
Chairman & CEO (current position)</td><td>126,082 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Shigeki Miyachi has participated in financial operations over many years. He had been serving as President & CEO of the Company from June 2012 and has been serving as Chairman & CEO from April 2025. As such, he has abundant experience and achievements, as well as broad knowledge, related to corporate management. Accordingly, the Company has judged that he is suitably qualified to promote the management of the Group and strengthen corporate governance, and therefore proposes his election as Director.</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Mikihito Hosono
(February 5, 1964)
Gender: Male
Reelection</td><td>Nov. 1990
July 2011

June 2013

July 2017

Apr. 2019

Apr. 2021

Apr. 2024

June 2024

Apr. 2025</td><td>Joined the Company
General Manager of General Control Dept., Gifu Factory Complex
General Manager of Minami-Kanto Branch Office, Eastern Japan Regional Office
General Manager of Personnel and General Affairs Dept.
Executive Officer and General Manager of Personnel and General Affairs Dept.
Executive Officer and General Manager of Corporate Planning Dept.
Senior Executive Officer, in charge of Corporate Planning Dept., Personnel and General Affairs Dept., Accounting Dept., and Secretary Dept.
Director, in charge of Corporate Planning Dept., Personnel and General Affairs Dept., Accounting Dept., and Secretary Dept.
President & COO (current position)</td><td>10,710 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Mikihito Hosono has participated mainly in Administration functions and the Sales Dept. He has been serving as President & COO of the Company from June 2024 and April 2025, respectively. As such, he has abundant experience and achievements, as well as broad knowledge, related to corporate management. Accordingly, the Company has judged that he is suitably qualified to promote the management of the Group and strengthen corporate governance, and therefore proposes his election as Director.</td></tr>
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<table>
<tr><th>Candidate no.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions, responsibilities, and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Nobuya Hideshima
(January 9, 1954)
Gender: Male
Reelection</td><td>Apr. 1978
Mar. 2009
Mar. 2010
Mar. 2011
Mar. 2013
Dec. 2016

Mar. 2017
June 2017

June 2018

June 2019
June 2022

June 2024

Apr. 2025</td><td>Joined Yamaha Motor Co., Ltd.
Executive Officer
Senior Executive Officer
Director & Senior Executive Officer
Director & Managing Executive Officer
Director of The Graduate School for the Creation of New Photonics Industries
Adviser of Yamaha Motor Co., Ltd.
Non-Executive Director of Fujibo Holdings, Inc.
Non-Executive Director of ShinMaywa Industries, Ltd.
Non-Executive Director of the Company
Senior Managing Director, in charge of Production Dept. and Legal Dept.
Senior Managing Director, in charge of Production Dept. and Legal Dept., deputy in charge of Quality Assurance Dept., Products Development Center, Technical Center, and UBC (Suzhou) Bearing Co., Ltd.
Senior Managing Director, in charge of Production Dept., Sales Dept., Sales Engineering Dept., and Legal Dept. (current position)</td><td>12,419 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Nobuya Hideshima has participated in management over many years, and has participated mainly in the Production Dept. in the Company, as well as has been serving as Senior Managing Director of the Company from June 2022. As such, he has abundant experience and achievements, as well as broad knowledge, related to corporate management. Accordingly, the Company has judged that he is suitably qualified to promote the management of the Group and strengthen corporate governance, and therefore proposes his election as Director.</td></tr>
<tr><td rowspan="2">4</td><td>*
Osamu Nishimura
(January 23, 1964)
Gender: Male
New election</td><td>Nov. 2000
July 2016

Apr. 2019

Apr. 2023

Apr. 2024

Apr. 2025</td><td>Joined the Company
Deputy General Manager of Production Administrative Dept.
General Manager of Factory 3, Gifu Factory Complex
General Manager of Mfg. Innovation and Planning Dept., Mfg. Innovation Management Dept.
Executive Officer and General Manager of Corporate Planning Dept.
Executive Officer, in charge of Corporate Planning Dept., Personnel and General Affairs Dept., Accounting Dept., and Secretary Dept. (current position)</td><td>7,481 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Osamu Nishimura has participated mainly in Administration functions and the Production Dept., and has abundant experience and achievements, as well as broad knowledge. He can be expected to utilize these qualities to contribute to the management of the Group and enhance corporate value, and therefore the Company proposes his election as Director.</td></tr>
</table>

Candidate no.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Youichi Takei (June 10, 1961) Gender: Male Reelection Outside Independent	Apr. 1993 Registered as attorney at law (Dai-Ichi Tokyo Bar Association), joined Iwata Godo Apr. 2000 Partner of Meitetsu Law Offices (current position) June 2003 Non-Executive Corporate Auditor of the Company June 2006 Non-Executive Corporate Auditor of YAMAKIN (JAPAN) CO., LTD. (current position) June 2013 Non-Executive Director of the Company (current position) June 2020 Non-Executive Director of Daio Paper Corporation (current position) Jan. 2022 Non-Executive Corporate Auditor of Nippon Export and Investment Insurance (current position)	0 shares
	Reasons for nomination as candidate for Non-Executive Director and overview of expected role Youichi Takei has a specialist standpoint as an attorney, as well as a high level of achievements related to corporate legal affairs, and he has appropriately supervised management as a Non-Executive Director since June 2013. The Company values his experience and skills highly, and because his objective and legal standpoint based on these qualities is expected to be reflected in the management of the Group as his role if he is elected as Non-Executive Director, the Company proposes his election as Non-Executive Director.		
6	Satoshi Saito (May 16, 1959) Gender: Male Reelection Outside Independent	Apr. 1982 Joined The Tokai Bank, Limited (currently MUFG Bank, Ltd.) Mar. 2002 Left UFJ Bank Limited (currently MUFG Bank, Ltd.) Apr. 2002 Assistant Professor of School of Information-Oriented Management, SANNO University Apr. 2005 Professor of School of Management (current position) June 2007 Non-Executive Corporate Auditor of the Company June 2016 Non-Executive Director (current position)	0 shares
	Reasons for nomination as candidate for Non-Executive Director and overview of expected role Satoshi Saito has a deep knowledge of accounting, management, and law, as well as a specialist standpoint and broad insight as a university professor, and he has appropriately supervised management as a Non-Executive Director since June 2016. The Company values his experience and skills highly, and because his objective and specialist standpoint based on his experience and skills is expected to be reflected in the management of the Group as his role if he is elected as Non-Executive Director, the Company proposes his election as Non-Executive Director.		
7	Atsuko Noda (January 12, 1961) Gender: Female Reelection Outside Independent	Apr. 1983 Joined Japan Airlines Co., Ltd. Apr. 1991 Purser of the above company Sept. 1994 Established Henkel & Grosse Japan Representative Office, Representative in Japan Nov. 1995 Established Japan Duty Free Services LLC (currently Grosse Japan Inc.), Representative Director Dec. 2002 Representative Director and CEO of Grosse Japan Inc. (current position) June 2022 Non-Executive Director of the Company (current position)	0 shares
	Reasons for nomination as candidate for Non-Executive Director and overview of expected role Atsuko Noda has participated in international corporate management in a different business sector to the Group over many years, and she has appropriately supervised management as a Non-Executive Director since June 2022. The Company values her experience and skills highly, and because her objective and specialist standpoint based on her experience and skills is expected to be reflected in the management of the Group as her role if she is elected as Non-Executive Director, the Company proposes her election as Non-Executive Director.		

Notes:
1. * indicates a new candidate for Director.
2. There are no special interest between any of the candidates and the Company.
3. Youichi Takei, Satoshi Saito, and Atsuko Noda are candidates for Non-Executive Director.
4. When candidates for Non-Executive Director are persons who have not participated in corporate management in the past other than as a Non-Executive Director or Non-Executive Corporate Auditor, reasons the Company has judged that even the candidates who have not participated in management will be able to appropriately execute their duties as Non-Executive Director
   (1) Youichi Takei has a high level of achievements related to corporate legal affairs based on his specialist standpoint as an attorney, and therefore the Company has judged that he will be able to appropriately execute his duties as Non-Executive Director.
   (2) Satoshi Saito has a deep knowledge of accounting, management, and law, as well as an advanced standpoint and broad insight as a university professor, and therefore the Company has judged that he will be able to appropriately execute his duties as Non-Executive Director.
5. Years since the appointment of Non-Executive Director candidates as Non-Executive Directors
   (1) Youichi Takei is currently a Non-Executive Director of the Company, and his term of office as Non-Executive Director will be twelve (12) years at the conclusion of this Ordinary General Meeting of Shareholders.
   (2) Satoshi Saito is currently a Non-Executive Director of the Company, and his term of office as Non-Executive Director will be nine (9) years at the conclusion of this Ordinary General Meeting of Shareholders.
   (3) Atsuko Noda is currently a Non-Executive Director of the Company, and her term of office as Non-Executive Director will be three (3) years at the conclusion of this Ordinary General Meeting of Shareholders.
6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Youichi Takei, Satoshi Saito, and Atsuko Noda to limit their liability for damages as provided for in Article 423, paragraph (1) of the same. The maximum amount of liability for damages pursuant to this agreement is the minimum amount of liability stipulated in laws and regulations, and if these candidates are reelected as Non-Executive Directors, the Company intends to continue these agreements with them.
7. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Youichi Takei, Satoshi Saito, and Atsuko Noda as independent directors who are unlikely to have conflicts of interest with general shareholders, whose designation is required by Tokyo Stock Exchange, Inc. If these candidates are reelected as Non-Executive Directors, the Company intends for them to continue to serve as independent directors.
8. The number of shares of the Company held by Director candidates includes holdings via the Nippon Thompson Officers Shareholders' Association.
9. Summary of directors & officers liability insurance policy
   The Company has entered into a directors & officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. The Company intends to renew this policy in September 2025. If the election of each candidate in this proposal is approved and passed, each candidate will be included in the insured.
   (1) Summary of insurance incidents covered
   The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position, or receipt of claims pertaining to the pursuit of such liability.
   (2) Insurance premiums
   All insurance premiums are borne by the Company.

Proposal 4: Election of four (4) Directors who are Audit and Supervisory Committee Members

If "Proposal 2: Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will make the transition to a company with audit and supervisory committee.

Accordingly, the Company proposes the election of four (4) Directors who are Audit and Supervisory Committee Members.

Furthermore, the consent of the Board of Corporate Auditors has been obtained in relation to this proposal.

This proposal will become effective on the condition that the amendments to the Articles of Incorporation under "Proposal 2: Partial Amendments to the Articles of Incorporation" becomes effective.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

Candidate no.	Name	Gender	Current positions and responsibilities in the Company	Candidate attributes
1	Nobuhiro Matsumoto	Male	Full-time Corporate Auditor	New election Outside
2	Taketo Nasu	Male	Non-Executive Corporate Auditor	New election Outside Independent
3	Kazuhisa Hayashida	Male	Non-Executive Corporate Auditor	New election Outside Independent
4	Rika Saeki	Female		New election Outside Independent

<table>
<tr><th>Candidate no.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, positions, responsibilities, and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>*
Nobuhiro Matsumoto
(July 5, 1963)
Gender: Male
New election
Outside</td><td>Apr. 1987
June 2013
June 2017
June 2019
June 2019
June 2023</td><td>Joined The Tokai Bank, Limited (currently MUFG Bank, Ltd.)
Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
Member of the Board of Directors (Member of the Audit & Supervisory Committee)
Corporate Auditor of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Member of the Board of Directors (Member of the Audit & Supervisory Committee) of Mitsubishi UFJ Securities Holdings Co., Ltd.
Full-time Corporate Auditor of the Company (current position)</td><td>7,205 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Non-Executive Director who is an Audit and Supervisory Committee Member and overview of expected role
Nobuhiro Matsumoto has participated in financial operations over many years. At the Company, he has appropriately audited management as a Full-time Corporate Auditor since June 2023. The Company values his experience and skills highly. Based on these qualities, as he is expected to appropriately audit and supervise the Group in his role if he is elected as Non-Executive Director, the Company proposes his election as Non-Executive Director who is an Audit and Supervisory Committee Member.</td></tr>
<tr><td rowspan="2">2</td><td>*
Taketo Nasu
(August 18, 1968)
Gender: Male
New election
Outside
Independent</td><td>Apr. 1996
Jan. 2001
Apr. 2006
Apr. 2009
June 2013
Apr. 2014</td><td>Registered as attorney at law (Dai-Ichi Tokyo Bar Association), joined Yuasa Law & Patent Office (currently YUASA and HARA)
Registered as attorney at law in the State of New York, U.S.A.
Lecturer of Toin University of Yokohama Law School, Toin Gakuen
Partner of Blakemore & Mitsuki (current position)
Non-Executive Corporate Auditor of the Company (current position)
Instructor of the Legal Training and Research Institute of the Supreme Court</td><td>0 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Non-Executive Director who is an Audit and Supervisory Committee Member and overview of expected role
Taketo Nasu has a specialist standpoint and abundant experience as an attorney, and he has appropriately audited management as a Non-Executive Corporate Auditor since June 2013. The Company values his experience and skills highly. Based on these qualities, as he is expected to appropriately audit and supervise the Group in his role if he is elected as Non-Executive Director, the Company proposes his election as Non-Executive Director who is an Audit and Supervisory Committee Member.</td></tr>
</table>

Candidate no.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
3	* Kazuhisa Hayashida (December 18, 1973) Gender: Male New election Outside Independent	Apr. 1997 Dec. 2006 Aug. 2007 Feb. 2014 Sept. 2016 June 2017 June 2019 July 2020 July 2021	Joined Tokyo Electron Ltd. Joined Misuzu Audit Corporation Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC) Established Kazuhisa Hayashida CPA Office, Head of the Office (current position) Non-Executive Director (Audit & Supervisory Committee member) of Nippon Engineering Consultants Co., Ltd. Non-Executive Corporate Auditor of BlueMeme Inc. Non-Executive Corporate Auditor of the Company (current position) Non-Executive Corporate Auditor of Manabi-Aid Co., Ltd. (current position) Non-Executive Director (Audit & Supervisory Committee member) of DN HOLDINGS CO., LTD. (current position)	0 shares
	Reasons for nomination as candidate for Non-Executive Director who is an Audit and Supervisory Committee Member and overview of expected role Kazuhisa Hayashida has expertise as a certified public accountant and abundant experience from participating in support for internal governance systems, various types of statutory audit, etc., and he has appropriately audited management as a Non-Executive Corporate Auditor since June 2019. The Company values his experience and skills highly. Based on these qualities, as he is expected to appropriately audit and supervise the Group in his role if he is elected as Non-Executive Director, the Company proposes his election as Non-Executive Director who is an Audit and Supervisory Committee Member.			
4	* Rika Saeki (February 27, 1961) Gender: Female New election Outside Independent	Apr. 2002 June 2021 June 2022	Established Usystem Ltd. (currently Usystem co.,ltd.), Representative Director (current position) Outside Director of Nikko Co., Ltd. (current position) Director of Kobe Commerce,Industry (current position)	0 shares
	Reasons for nomination as candidate for Non-Executive Director who is an Audit and Supervisory Committee Member and overview of expected role Rika Saeki has abundant experience and achievements related to corporate management, which she has participated in over many years, as well as broad insight from playing an active role in the field of information and communications technology. The Company values her experience and skills highly. Based on these qualities, as she is expected to appropriately audit and supervise the Group in her role if she is elected as Non-Executive Director, the Company proposes her election as Non-Executive Director who is an Audit and Supervisory Committee Member.			

Notes:
1. * indicates a new candidate for Director.
2. There are no special interest between any of the candidates and the Company.
3. The candidates are candidates for Non-Executive Directors.
4. When candidates for Non-Executive Director are persons who have not participated in corporate management in the past other than as a Non-Executive Director or Non-Executive Corporate Auditor, reasons the Company has judged that even the candidates who have not participated in management will be able to appropriately execute their duties as Non-Executive Director

   Taketo Nasu has abundant experience and expertise as an attorney, and therefore the Company has judged that he will be able to appropriately execute his duties as Non-Executive Director.
5. Facts of violations of laws and regulations or Articles of Incorporation or facts of an improper execution of operations at other stock companies

   Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., where Nobuhiro Matsumoto served as Corporate Auditor from June 2019 to June 2023, received an administrative disposition (business improvement order) from the Financial Services Agency on June 24, 2024 pursuant to the Financial Instruments and Exchange Act regarding its bank-security firm collaboration business during such term of office. While Nobuhiro Matsumoto was not aware of this fact ahead of time, he had regularly called for attention to the importance of legal compliance at meetings of the Board of Directors, etc.

6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with both Taketo Nasu and Kazuhisa Hayashida to limit their liability for damages in their capacity as Non-Executive Corporate Auditors as provided for in Article 423, paragraph (1) of the same. The maximum amount of liability for damages pursuant to this agreement is the minimum amount of liability stipulated in laws and regulations, and if these candidates are elected as Non-Executive Directors, the Company intends to newly enter into similar agreements with them in their capacity as Non-Executive Directors.
   In addition, if Nobuhiro Matsumoto and Rika Saeki are elected as Non-Executive Directors, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company intends to enter into an agreement with both of them in their capacity to limit their liability for damages as provided for in Article 423, paragraph (1) of the same. The maximum amount of liability for damages pursuant to this agreement shall be the minimum amount of liability stipulated in laws and regulations.
7. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Taketo Nasu and Kazuhisa Hayashida as independent auditors who are unlikely to have conflicts of interest with general shareholders, whose designation is required by Tokyo Stock Exchange, Inc. If these candidates are elected as Non-Executive Directors, the Company intends for them to continue to serve as independent officers.
   In addition, if Rika Saeki is elected as Non-Executive Director, the Company intends for her to serve as an independent director who is unlikely to have conflicts of interest with general shareholders, whose designation is required by Tokyo Stock Exchange, Inc.
8. Summary of directors & officers liability insurance policy
   The Company has entered into a directors & officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. The Company intends to renew this policy in September 2025.
   If the election of each candidate in this proposal is approved and passed, each candidate will be included in the insured.
   (1) Summary of insurance incidents covered
   The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position, or receipt of claims pertaining to the pursuit of such liability.
   (2) Insurance premiums
   All insurance premiums are borne by the Company.

<Reference>

If Proposal 3 and Proposal 4 are approved and passed as originally proposed at this Ordinary General Meeting of Shareholders, the skill matrix of the Board of Directors will be as follows.

	Expertise and experience						
	Corporate management	Manufac-turing, technology, and development	Sales and marketing	Finance and accounting	Compliance and risk management	Personnel and human resources development	Global business
Shigeki Miyachi Chairman & CEO	●		●	●	●		
Nobuya Hideshima Director and Vice Chair	●	●			●		●
Mikihito Hosono President & COO	●		●	●	●	●	
Osamu Nishimura Director		●		●	●		
Youichi Takei Non-Executive Director					●		
Satoshi Saito Non-Executive Director	●			●	●	●	
Atsuko Noda Non-Executive Director	●		●		●		●
Nobuhiro Matsumoto Non-Executive Director (Full-time Audit and Supervisory Committee Member)	●			●	●		●
Taketo Nasu Non-Executive Director (Audit and Supervisory Committee Member)					●		●
Kazuhisa Hayashida Non-Executive Director (Audit and Supervisory Committee Member)		●		●	●		
Rika Saeki Non-Executive Director (Audit and Supervisory Committee Member)	●		●		●	●	

Proposal 5: Determination of amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

The amount of remuneration for Directors of the Company had been approved at the 58th Ordinary General Meeting of Shareholders held on June 28, 2007 at an annual amount of up to 500 million yen, and has remained such to date. If "Proposal 2: Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will make the transition to a company with audit and supervisory committee. Given that, taking into account the current economic climate and various other circumstances, the Company proposes to revise the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) following the transition to a company with audit and supervisory committee to an annual amount of up to 500 million yen.

A summary of the policy for determining the content of remuneration for individual Directors of the Company is as described in "Business Report 4. Matters Related to Company Officers (3) Remuneration for Directors and Corporate Auditors (i) Policy for Determining the Content of Remuneration for Officers." At the meeting of the Board of Directors following the conclusion of this ordinary general meeting of shareholders, the Company plans to amend the portion that refers to applicable persons as "Directors" to "Directors (excluding Directors who are Audit and Supervisory Committee Members)." No substantive changes will be made. The amount of remuneration related to this proposal will be paid as basic remuneration in accordance with the policy following such changes, and has been judged to be appropriate.

Note that the Company proposes not to include the portion of employee salaries of directors who concurrently serve as employees in this remuneration.

The current number of Directors is eight (8). If "Proposal 2: Partial Amendments to the Articles of Incorporation" and "Proposal 3: Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)" are approved and passed as originally proposed, the number of Directors subject to this proposal (excluding Directors who are Audit and Supervisory Committee Members) will be seven (7) (including three (3) Non-Executive Directors).

This proposal will become effective on the condition that the amendments to the Articles of Incorporation under "Proposal 2: Partial Amendments to the Articles of Incorporation" becomes effective.

Proposal 6: Determination of amount of remuneration for Directors who are Audit and Supervisory Committee Members

If "Proposal 2: Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will make the transition to a company with audit and supervisory committee. Given that, taking into account the current economic climate and various other circumstances, the Company proposes to set the amount of remuneration for Directors who are Audit and Supervisory Committee Members following the transition to a company with audit and supervisory committee to an annual amount of up to 100 million yen. The amount of remuneration related to this proposal has been judged to be appropriate in light of the duties of Directors who are Audit and Supervisory Committee Members.

If "Proposal 2: Partial Amendments to the Articles of Incorporation" and "Proposal 4: Election of four (4) Directors who are Audit and Supervisory Committee Members" are approved and passed as originally proposed, the number of Directors who are Audit and Supervisory Committee Members subject to this proposal will be four (4).

This proposal will become effective on the condition that the amendments to the Articles of Incorporation under "Proposal 2: Partial Amendments to the Articles of Incorporation" becomes effective.

Proposal 7: Determination of amount and content of share-based remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-Executive Directors)

1. Reasons for the proposal and reasons why such remuneration plan has been judged to be appropriate

At the 71st Ordinary General Meeting of Shareholders held on June 24, 2020, the Company obtained approval for the introduction of a share-based remuneration plan (the "Plan") for Directors (excluding Non-Executive Directors), and has been operating the Plan to date.

If "Proposal 2: Partial Amendments to the Articles of Incorporation" is approved and passed as originally proposed, the Company will make the transition to a company with audit and supervisory committee. Given that, the Company proposes to abolish the existing remuneration framework under the Plan and anew establish a remuneration framework under the Plan as a remuneration framework for Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-Executive Directors) following the transition. Note that the Company proposes to delegate the decision of the details of the foregoing to the Board of Directors within the scope of 2. below.

Similar to the current remuneration framework under the Plan, this remuneration framework will be established separately from the remuneration framework for which approval is requested under "Proposal 5: Determination of amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)."

This proposal is a procedural matter accompanying the transition to a company with audit and supervisory committee. The essential content of the remuneration is identical to that approved at the 71st Ordinary General Meeting of Shareholders held on June 24, 2020. Additionally, as that content is necessary and reasonable for the purpose of paying remuneration in accordance with the policy for determining the content of remuneration for individual Directors, it has been judged to be appropriate.

Currently, the number of applicable Directors under the Plan is five (5). If "Proposal 2: Partial Amendments to the Articles of Incorporation" and "Proposal 3: Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)" are approved and passed as originally proposed, the number of applicable Directors (Directors excluding Directors who are Audit and Supervisory Committee Members and Non-Executive Directors; the same applies hereinafter in this proposal unless specified otherwise) under the Plan will be four (4).

This proposal will become effective on the condition that the amendments to the Articles of Incorporation under "Proposal 2: Partial Amendments to the Articles of Incorporation" becomes effective.

2. Amount, content, etc. of remuneration under the Plan

(1) Overview of the Plan

This Plan is a share-based remuneration plan whereby a trust established by the Company through the contribution of cash (already established; the "Trust") acquires shares of the Company, and shares of the Company in a number equivalent to the number of points granted by the Company to each Director are delivered to each Director through the Trust.

Note that the timing of the delivery of the shares of the Company to Directors shall, in principle, be when they cease to hold either the position of Director (including Director who is Audit and Supervisory Committee Member) or Executive Officer.

(i)	Applicable persons under the Plan	Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-Executive Directors) of the Company
(ii)	Applicable period	Until the date of conclusion of the ordinary general meeting of shareholders in June 2026
(iii)	Maximum amount of cash to be contributed by the Company as funds for acquiring the shares of the Company necessary for delivery to the applicable persons in (i) during the applicable period in (ii)	Total of 300 million yen
(iv)	Method of acquiring shares of the Company	Disposal of treasury stock or acquisition from an exchange market (including off-market transactions).
(v)	Maximum total number of points granted to the applicable persons in (i)	250,000 points per fiscal year
(vi)	Criteria for granting points	Points according to position, etc. granted
(vii)	Timing of delivery of the shares of the Company to the applicable persons in (i)	In principle, when the applicable persons cease to hold either the position of Director (including Director who is Audit and Supervisory Committee Member) or Executive Officer

(2) Maximum amount of cash contributed by the Company

The Company shall extend the trust period of the Trust that has been established and, during the applicable period in (1)(ii) above, make additional contributions (an additional trust) of cash of up to 300 million yen in total as remuneration to Directors who are serving during the same applicable period to be used as funds for acquiring the shares of the Company necessary for delivery to Directors under the Plan.

The Trust will acquire shares of the Company using the cash, etc. entrusted by the Company as capital (including cash placed in an additional trust by the Company as described above as well as cash remaining in the Trust before the additional trust was made) through the disposal of treasury stock of the Company or acquisition from an exchange market (including off-market transactions).

Note: Cash that the Company will actually place in the Trust will be the sum of the abovementioned funds for acquiring shares of the Company and the estimated amount of necessary expenses such as trust fees and trust administrator remuneration. Additionally, given that it has introduced a similar share-based remuneration plan for Executive Officers who entered into a mandate agreement with the Company as well, the Company will also simultaneously place into a trust funds for acquiring the shares of the Company necessary for delivery to Executive Officers under such plan.

Note that even after the applicable period in (1)(ii) above expires, through a decision by its Board of Directors, the Company may extend the applicable period for a duration not exceeding three years on a case-by-case basis and, in line with the foregoing, extend again the Trust period (including essentially extending the Trust term by transferring the trust property of the Trust to a trust established by the Company with the same purpose as the Trust; the same applies hereinafter) to continue the Trust. In such cases, during such extended portion of the applicable period, the Company shall make additional contributions to the Trust of cash not exceeding the sum obtained by multiplying the number of fiscal years in such extended portion of the applicable period by 100 million yen to be used as additional funds for acquiring the shares of the Company necessary for delivery to Directors under the Plan, and shall continue to grant points and deliver shares of the Company as described in (3) below.

Additionally, even in cases where the Company does not extend the applicable period and does not continue the Plan as described above, if there are Directors who have already been granted points but have not yet retired as of the expiration of the trust period, the Company extend the Trust period until such Directors retire and the delivery of the shares of the Company has been completed.

(3) Method of calculating and maximum number of shares of the Company to be delivered to Directors

(i) Method of granting points to Directors, etc.

The Company shall grant points according to position, etc. to each Director on the point granting date specified in the Share Delivery Regulations during the trust period in accordance with the Share Delivery Regulations established by the Board of Directors of the Company.

However, the maximum total number of points to be granted by the Company to Directors shall be 250,000 points per fiscal year.

(ii) Delivery of shares of the Company according to the number of points granted

Directors shall receive the delivery of shares of the Company in accordance with the procedures described in (iii) below according to the number of points granted to them under (i) above (including any points granted under the Plan prior to the transition to a company with audit and supervisory committee).

Note that one point is equivalent to one share of the Company. However, in cases where circumstances arise in which it is deemed reasonable to adjust the number of shares of the Company to be delivered due to a share split, consolidation of shares, etc., the Company shall make reasonable adjustments in accordance with the relevant split ratio, consolidation ratio, etc.

(iii) Delivery of shares of the Company to Directors

In principle, each Director shall acquire the beneficial interest in the Trust and receive delivery of shares of the Company from the Trust as a beneficiary of the Trust upon ceasing to hold either the position of Director (including Director who is Audit and Supervisory Committee Member) or Executive Officer.

However, a certain portion of shares of the Company to be delivered may be sold/realized in the Trust first for the purpose of the Company to withhold funds to pay taxes such as withholding taxes, and delivered in the form of money in lieu of shares of the Company. In addition, in the event of realization of shares of the Company held in the Trust due to the settlement following the circumstances such as subscription to a tender offer for shares of the Company held in the Trust, the Trust may also effect the delivery in the form of money in lieu of shares of the Company.

(4) Exercise of voting rights

Voting rights pertaining to shares of the Company held in the Trust shall not be uniformly exercised based on the instructions of a trust administrator who is independent from the Company and its officers. Through this method, the Company intends to ensure neutrality in its management with respect to the exercise of voting rights pertaining to shares of the Company held in the Trust.

(5) Handling of dividends

Dividends pertaining to the Company’s shares held in the Trust shall be received by the Trust and allocated to the cost of the acquisition of the Company’s shares, trust fees of the trustee pertaining to the Trust, etc.

Proposal 8: Partial Change and Continuance of Countermeasures to Large-Scale Acquisition Actions of the Company's Shares (Takeover Response Policies)

At the meeting of the Board of Directors held on May 14, 2007, it was resolved that the Company should adopt countermeasures to the Large-Scale Acquisition Actions of the Company's shares (takeover response policies) as part of the Basic Policy on control over decisions on financial and business policies of the Company (as defined in the main paragraph of Article 118, item 3 of the Regulations for Enforcement of the Companies Act; hereinafter referred to as the "Basic Policy"), and as part of the measures to prevent inappropriate parties from controlling the Company's decisions on financial and business policies (Article 118, item 3, *ro,* (2), of the Regulations for Enforcement of the Companies Act) in view of the Basic Policy, and the Company obtained the approval of shareholders at the 58th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007. Thereafter, the Company obtained the approval of shareholders at the ordinary general meeting of shareholders of the Company most recently held in 2023, to partially change and continue the countermeasures (the plan approved by shareholders at the 74th Ordinary General Meetings of Shareholders of the Company held on June 27, 2023, shall be hereinafter referred to as the "Former Plan").

The Former Plan shall remain effective until the closing of the first meeting of the Board of Directors to be held after the ordinary general meeting of shareholders for the last fiscal year ending within two (2) years after the closing of the 74th Ordinary General Meeting of Shareholders of the Company. In light of the recent trends of discussions regarding takeover response policies after the introduction of the Former Plan, the Company, at the meeting of the Board of Directors held on May 19, 2025, confirmed that it will continue to maintain the Basic Policy, and resolved that it will make necessary changes to the Former Plan as follows (the plan after changes shall be hereinafter referred to as the "Plan") and continue to adopt countermeasures as part of the measures to prevent inappropriate parties from controlling the Company's decisions on financial and business policies in view of the Basic Policy.

Furthermore, it was determined with the approval of all directors, including Outside Directors that are Independent Officers, at the meeting of the Board of Directors mentioned above that a proposal for the approval of the continuance of takeover response policies under the Plan shall be submitted to the 76th Ordinary General Meeting of Shareholders of the Company to be held on June 27, 2025 (hereinafter referred to as the "Ordinary General Meeting of Shareholders"). In addition, all of the auditors of the Company, including Outside Corporate Auditors that are Independent Officers and that were present at the meeting of the Board of Directors of the Company mentioned above, consented to the Plan on condition that the practical operation of the Plan would be properly carried out.

The Plan shall become effective on condition that the approval of the shareholders is obtained for the proposal mentioned above at the Ordinary General Meeting of Shareholders and the Former Plan shall be changed to the Plan on the same condition. In this regard, the Company would like to request that its shareholders approve the continuance of takeover response policies under the Plan. The details of the Plan are as follows.

The Company determined will change its corporate structure from a company with Audit and Supervisory Board into a company with Audit and Supervisory Committee, subject to the approval of the Ordinary General Meeting of Shareholders; and upon continuance of the takeover response policies under the Plan, the Company has made the necessary changes in connection with the transition to a company with Audit and Supervisory Committee, has updated the factual relationship concerning the Plan, and has clarified the purpose thereof; however, the Plan does not substantially change the details of the Former Plan.

In the event that the Companies Act, the Financial Instruments and Exchange Act, or related rules, Cabinet Orders, Cabinet Office Orders, Ministerial Orders, etc. (hereinafter collectively referred to as "Laws and Regulations") are amended (amendment includes changes in the names of Laws and Regulations and the enactment of new Laws and Regulations that succeed the previous Laws and Regulations) or brought into force, the provisions referred to in the Plan shall be replaced with the provisions of the Laws and Regulations that substantially succeed the provisions of the prior Laws and Regulations, as amended, except as otherwise provided by the Board of Directors of the Company.

* * *

1. Basic Policy

(1) Contents of the Basic Policy

The Company believes that corporate value will be generated through enhancing shareholders' common interests, by striving to engage in prompt and flexible corporate activities through the utilization of operational, technical, and manufacturing know-how it has accumulated over time, and by contributing to the development of society, domestic and foreign, based on the management philosophy stated in (2) below. Thus, when a specific party or a group acquires 20% or more of all the voting rights of the Company (hereinafter referred to as the "Controlling Shares") whereby such acquisition is likely to infringe upon the corporate value or shareholders' common interests, the Company will consider such specific party or group to be not appropriate for holding control over decisions regarding financial and business policies of the

Company and shall take reasonable measures to ensure and enhance the corporate value and the shareholders' common interests to the extent permitted by laws, regulations and the Articles of Incorporation.

(2) Background to Establishment of the Basic Policy

The Company and its subsidiaries and affiliates (hereinafter referred to as the "Company Group") set the management philosophy of being a "technology development-based company that contributes to society." The Company Group aims at becoming a company trusted and needed by customers through manufacturing and sale of important machinery parts such as needle roller bearings (note 1) and linear motion rolling guides (note 2); it further aims at becoming a technology development-based company that contributes to society, which settles customers' issues by devoting all its technologies and passion, in order to grow further as a global company with enhanced presence. In addition, with an aim to become a high quality company regardless of its size, the Company has a mission to develop high value-added products that accord with the market needs; the Company is using all its efforts to make all of its products innovative, based on sophisticated know-how, and full of originality, as suggested by the Company's brand, "IKO" (innovation, know-how, originality).

Since its incorporation in 1950, the Company has appropriately understood changes in the times, and has made efforts to develop and supply high quality and high performance products which promptly responded to sophisticated and diversified needs. Products currently sold by the Company Group are broadly classified into two groups: needle roller bearings, and linear motion rolling guides.

Needle roller bearings, which have an advantage in being light and compact when compared to other bearings, are products that can be called the origin of the Company Group; the Company Group focused on the needs of the times and its future potential, and became the first one that developed the product based on its own technology, and completed making a machinery part product that is essential for the industry. Today, the IKO brand has established an excellent track record as a global brand for needle roller bearings, with the product's quality and ample types.

On the other hand, linear motion rolling guides, which are important machinery parts for precisely deciding the position concerning the linear motion part of a machine, are products which greatly contributed to the development of highly precise, labor-saving, and space-saving machines; the Company Group produced various linear motion rolling guides in accordance with the market needs, and the Company's products have spread across significantly broad industry fields including machine tools, industrial robots, semiconductor/liquid crystal panel manufacturing device, medical device, etc. Further, precision positioning tables, among others, that were produced as a result of integrating the precision processing technology and electronics that have been cultivated over years, contribute to the society as a high value-added product such as by attempting to reduce customers' man-hours needed for designing and assembling.

The Company Group acknowledges that improvement of the ability to develop products is an essential factor to enhance its corporate value; what underlies the development spirit is nothing but the thought of hearing the customers' real voice and serving them to settle their issues, and this thought is a constant throughout the entire Company Group. In the Company Group, all departments recognize "proposal-based sales activities with customers" and, in addition to the sales department, developers visit customers on their own to have direct conversations and make proposals repeatedly to settle customers' issues and to find "new value" that has not been noticed even by customers, and make such value into a product; as such, the Company Group continues to facilitate the creation of new demand.

The above-stated efforts, and enhancement of the Company Group's corporate value supported by the results of such efforts, come from the shareholders' understanding and support from a medium to long-term perspective, and relationships of deep trust with customers. They also come from the motivation of the management, which have abundant knowledge and experience regarding bearing/machine tool industry (the industry to which the Company Group belongs), details of business, and market characteristics, as well as the motivation of employees who faithfully engage in the Company Group's business; the management and employees recognize their individual roles to solidly enhance the management base.

Under the circumstances where technical innovation progresses on a global basis, the Company Group will appropriately understand trends in demands in rapidly-changing markets, domestic or foreign, and utilize the management resources effectively and to the utmost extent; it will also continue to engage in corporate activities by paying attention to preserve global environment and to engage in the management by complying with applicable laws or regulations to fulfill its social responsibility as a company, and will use its best efforts to enhance its corporate value.

On the other hand, since around 2007 when the Company introduced the takeover response policies, there have been occasional instances where, without obtaining approval of the management of the target company, an acquisition of a large number of shares is forced through unilaterally, and such instances are still seen recently. The Company cannot deny the possibility that, as a result of such instances, in certain circumstances,

the continuous enhancement of the Company's corporate value with the aforementioned management resources could be interrupted.
The Company thinks that, given such circumstances, it is necessary to anticipate a situation where a party who aims at acquiring the Controlling Shares, or a group of such parties (hereinafter referred to as the "Acquirer"), might emerge.
The Company stresses that it does not have a negative view on an acquisition of the Controlling Shares.
However, acquisition of the Controlling Shares may often result in unrecoverable damage to the corporate value of the Company or to the shareholders' common interests, including the following cases: (i) it is obvious that the Acquirer does not sincerely intend to conduct reasonable management in light of the purpose of the acquisition of the Controlling Shares by such Acquirer; (ii) general shareholders may be substantially forced to sell their shares at conditions disadvantageous to them; (iii) the Acquirer does not provide or ensure necessary information or reasonable period for consideration to general shareholders for them to appropriately determine whether to accept the acquisition of the Controlling Shares; or (iv) the Acquirer does not provide to the Board of Directors of the Company: (a) information necessary for the Board of Directors of the Company to present to its shareholders, including the opinion whether to support or not to support the acquisition of the Controlling Shares, or a business plan or other information that will be an alternative to the acquisition proposal or business plan proposed by the Acquirer, (b) opportunities to negotiate with the Acquirer, or (c) reasonable period for consideration.
The Company believes that a party who engages in acquisition of the Controlling Shares in a way that does not contribute to ensuring and enhancing the Company's corporate value or shareholders' common interests is not appropriate as a party to have a control over decisions concerning the Company's financial and business policies; the Company thus believes that it should take certain measures against such Acquirer so that such instances will not occur.

(Note 1) A bearing is a machinery part which largely contributes to reduction of energy loss and energy-saving by largely reducing friction in rotary motion part of machinery. Unlike the generally-known bearings (ball bearings which use steel balls as rolling elements), "needle roller bearings" which the Company Group manufactures and sells use needle rollers as rolling elements, and are small, light, and have large load capacity. IKO needle bearings have spread to broad areas of industries such as automobiles, motorcycles, printing machines, industrial robots, and construction/agricultural machinery.

(Note 2) A linear motion rolling guide is a machinery part that is used in linear motion which requires precise positioning in machineries. Like bearings, it largely reduces frictions and greatly contributes to energy-saving, and as it has large load capacity, it enables to make the machine small in which it is used. The Company Group has a variety of product types including those of the smallest size in the world, to those of the extremely large size; and demand therefor is spreading mainly in the cutting edge industry including semi-conductor manufacturing devices, large machine tools, medical devices, etc.

(3) Strengthening Corporate Governance

The Company believes that its properties for business are facilitating prompt and effective decision making, enhancing the supervision of business execution, ensuring compliance and increasing management transparency to achieve sustainable growth, and improving corporate value over the medium to long term. For these tasks, the Company is guided by a basic management policy of continuing to develop together with society by promoting corporate activities in consideration of its mission while pursuing the development of technologies that meet customers' requirements as the Company helps to protect the global environment. Based on this policy, the Company is working to enhance corporate governance as below.

(Transition to a company with Audit and Supervisory Committee)

The Company will change its corporate structure from a company with Audit and Supervisory Board to a company with Audit and Supervisory Committee, subject to the approval of the Ordinary General Meeting of Shareholders, for the purposes of further strengthening and improving its corporate governance system and further enhancing its corporate value, by increasing speed and efficiency of management decision making and business execution and by enhancing the supervision over the Board of Directors by making Audit and Supervisory Committee members, who are responsible for auditing and supervising directors' performance of duties, members with voting rights at a meeting of the Board of Directors.
The number of directors of the Company after the transition to a company with Audit and Supervisory Committee will be seven (7) (excluding those who are Audit and Supervisory Committee members) (of which three (3) are Outside Directors), and four (4) who are Audit and Supervisory Committee members (all of whom are Outside Directors, of which one (1) is full-time).

(Others)

In addition to the above, based on the latest Corporate Governance Code, the Company is strengthening its corporate governance.

For details of the Company's corporate governance system, please see the Company's Corporate Governance Report (https://www.ikont.co.jp/ir/business/pdf/cgreport20250421.pdf) (available only in Japanese).

2. Contents of the Plan (Measures to Prevent Inappropriate Parties from Controlling the Company's Decisions on Financial and Business Policies in View of the Basic Policy)

(1) Purpose of Continuance of Takeover Response Policies under the Plan

As stated in 1. above, while the Company finds it necessary to take certain measures against Acquirers in certain circumstances, the Company thinks that, because it is a listed corporation, the determination of whether to sell shares to a certain Acquirer or the ultimate determination of whether to entrust such Acquirer with the company's management should be basically left up to individual shareholders.

However, in order that the shareholders can make appropriate determinations, it is necessary as a premise to give sufficient consideration to the Company's business features and the Group's history and properly understand the Company's corporate value and the sources generating such value. Further, it can be easily envisaged that information to be provided only by the Acquirer would be insufficient to grasp what effects the acquisition by the Acquirer of the Company's Controlling Shares might have on the Company's corporate value and the sources of such value, and in order that the shareholders make an appropriate assessment, it seems necessary for them to give consideration to information provided by the Board of Directors, which fully understands the Company's business features, and to the views and opinions of the Board of Directors with regard to such Acquirer's action aimed at acquisition of the Controlling Shares, and in certain cases, a new proposal of the Board of Directors based on such views and opinions.

Accordingly, the Company finds it very important for the shareholders to secure sufficient time to analyze and review such multifaceted information.

From the standpoint stated above, the Company has come to the conclusion that it is necessary to continue the takeover response policies under the Plan as part of the measures whereby the Company can ensure, in light of the aforementioned Basic Policy, that the shareholders make an appropriate assessment as to whether to accept a Large-Scale Acquisition Action (as defined in (2) (a) below; the same shall apply hereinafter) by seeking necessary information on such a Large-Scale Acquisition Action from the party who will attempt or has attempted to take such a Large-Scale Acquisition Action (hereinafter referred to as the "Large-Scale Acquirer"), as well as securing a period to consider and negotiate such information; that the Board of Directors presents to the shareholders its opinion on whether to support the Large-Scale Acquisition Action or makes a proposal, including a business plan, which will be an alternative to the proposal of acquisition and business plan proposed by such Large-Scale Acquirer (the "Alternative Proposal"), and that the Company negotiates with the Large-Scale Acquirer for the benefit of the shareholders, and thereby, in light of the Basic Policy, the Company can prevent the Company's decisions on financial and business policies from being controlled by any inappropriate party (which specifically refers to certain Large-Scale Acquirers set forth by the Board of Directors in accordance with the prescribed procedures, and also refers to such Large-Scale Acquirer's co-holder or special interested party (*tokubetsu kankeisha*) as well as such party as recognized by the Board of Directors as the party which any of the foregoing parties substantially controls and which operates in collaboration with or in coordination with any of the foregoing parties; each of the aforementioned parties shall be hereinafter referred to as an "Excluded Party"). In determining the continuation of the takeover response policies under the Plan, the Company has come to the conclusion that the continuation of the takeover response policies under the Plan is the best option as a result of comprehensive consideration of the impact on transparency and distribution market and other matters, taking into account discussions on takeover response policies, such as the contents of the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released on May 27, 2005, by the Corporate Value Study Group established within the Ministry of Economy, Trade and Industry, the "Takeover Defense Measures in Light of Recent Environmental Changes" released on June 30, 2008, by the study group, the "Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders' Interests -" released on August 31, 2023, by the Ministry of Economy, Trade and Industry, and the "Principle 1.5 Anti-Takeover Measures" of the "Corporate Governance Code" introduced by the Tokyo Stock Exchange on June 1, 2015 and revised respectively on June 1, 2018 and June 11, 2021.

In continuing the takeover response policies under the Plan, it is desirable to ascertain the shareholders' will. To this end, the Company has determined to ascertain the shareholders' will concerning the continuation of the takeover response policies under the Plan at the Ordinary General Meeting of Shareholders.

Based on the above reasons, the Board of Directors of the Company has determined, as of May 19, 2025, that the takeover response policies under the Plan shall be continued on condition that the Board of Directors of the Company ascertains the shareholders' will by submitting a proposal for the approval of the continuing of the takeover response policies under the Plan at the Ordinary General Meeting of Shareholders.
Incidentally, at present, the Company is not aware of any sign of a specific Large-Scale Acquisition Action in respect of the Company's shares.
In addition, the status of the Company's large shareholders as of March 31, 2025 is as indicated in Annex 1, "Overview of Shareholding in the Company."

(2) Outline of the Plan
The specific details of the Plan are as stated below. The flowchart of the procedures under the Plan is as summarized in Annex 2. In addition, in connection with the Plan, the outline of the "Guideline Concerning the Initiation of Countermeasures" (the "Guideline"), which is intended to provide the procedures and principles in advance so that the Board of Directors and the Independent Committee may adopt resolutions to initiate or refrain from initiating the countermeasures such as in the form of gratuitous allotment of stock acquisition rights, and take other necessary actions, with a view to ensuring and enhancing the Company's corporate value or the shareholders' common interests, is as summarized in Annex 3.

(a) Definitions of Large-Scale Acquisition Actions which may invoke the countermeasures
The countermeasures under the Plan may be initiated if any of the actions which fall or could fall under (i) through (iii) below (except actions approved in advance by the Board of Directors; collectively, hereinafter referred to as the "Large-Scale Acquisition Actions") occurs or is likely to occur.

(i) Purchase or other acquisition (note 1) in respect of the shares, etc., (note 2) issued by the Company, as a result of which the percentage (note 3) of such shares, etc., held by a specified shareholder of the Company would become 20% or more.

(ii) Purchase or other acquisition (note 4) in respect of the shares, etc., (note 5) issued by the Company, as a result of which the percentage (note 6) of such shares, etc., owned by a specified shareholder of the Company and the percentage of such shares, etc., owned by any special interested party (note 7) of such specified shareholder would become 20% or more in the aggregate.

(iii) Irrespective of whether either of the actions set out in (i) or (ii) above is carried out, an agreement or other action by and between a specified shareholder of the Company and any other shareholder(s) of the Company (including the case where more than one other shareholder is involved; the same shall apply hereinafter in this (iii)) whereby such other shareholder(s) fall under the status of co-holder of such specified shareholder, or an action (note 8) which establishes a relationship between such specified shareholder and such other shareholder(s) wherein either one substantially controls the other, or they operate in collaboration or coordination (note 9) (provided that this shall apply only if, in respect of the shares, etc., issued by the Company, the aggregate percentage of the shares, etc., held by such specified shareholder and such other shareholder(s) of the Company would become 20% or more).

(note 1) Includes ownership of the right to claim delivery of shares, etc., under a sale/purchase or other agreement and execution of the respective transactions set forth in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act.

(note 2) Refers to shares, etc., as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided.

(note 3) Refers to the shareholding percentage as defined in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided; except that, for the purpose of calculating such share holding percentage, (i) any special interested party as defined in Article 27-2, paragraph 7 of said Act, (ii) any investment bank, securities company, or other financial institution which has executed a financial advisory agreement with the relevant specified shareholder of the Company, as well as the takeover bid agent or the lead managing securities company (hereinafter referred to as the "Contracting Financial Institution(s)"), attorneys, accountants, tax accountants, or other advisors for the relevant specified shareholder of the Company, and (iii) a party who has received shares, etc. of the Company from a party who falls under (i) or (ii) above through off-market direct trading or on-market off-hours trading on the Tokyo Stock Exchange (ToSTNeT-1) shall be deemed to be a co-holder (as defined in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act and including a person who, the Board of Directors considers, is deemed to be a co-holder pursuant to paragraph 6 of said Article; the same shall apply hereinafter) of the relevant specified shareholder of the Company for purposes of the Plan. Additionally, for the

purpose of calculating such shareholding percentage, the most recent information publicly announced by the Company may be used for the aggregate number of the Company's issued shares.

(note 4) Includes a purchase or other acquisition for value as well as acts similar to acquisition for value as provided in Article 6, paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act.

(note 5) Refers to shares, etc., as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in this (ii).

(note 6) Refers to the share ownership percentage as defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided. Additionally, for the purpose of calculating such share ownership percentage, the most recent information publicly announced by the Company may be used for the aggregate number of the Company's voting rights.

(note 7) Refers to a special interested party as defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act; provided that, with respect to the parties indicated in item 1 of said paragraph, the party specified in Article 3, paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers shall be excluded. Additionally, (i) co-holders and (ii) Contracting Financial Institutions shall be deemed to be special interested parties of the relevant specified shareholder of the Company for purposes of the Plan. The same shall apply hereinafter unless otherwise provided.

(note 8) The judgment of whether an action specified in (iii) of the main text has been taken shall be made by the Board of Directors in accordance with recommendations by the Independent Committee (as defined in (e) below; the same shall apply hereinafter). In addition, the Board of Directors may request the Company's shareholders to provide information to the extent necessary for the determination of whether the requirements under (iii) above apply.

(note 9) The determination of whether "a relationship wherein either one substantially controls the other, or they operate in collaboration or coordination" has been established shall be made on the basis of the following, among other factors: the formation of a new capital relationship, business alliance, transactional or contractual relationship, relationships concerning interlocking directors and officers, funds provision relationship, credit offering relationship, or substantial interest concerning the share, etc., of the Company through the state of purchasing of the shares, etc. of the Company, the state of voting in relation to the shares, etc. of the Company, or derivatives, stock lending, etc., or other relationships; or the impact directly or indirectly brought upon the Company by the relevant specified shareholder or the relevant other shareholder(s).

(b) Submission of Intention Letter

Prior to the commencement or execution of a Large-Scale Acquisition Action, the relevant Large-Scale Acquirer shall be requested to submit to the Company a document, in the form to be separately prescribed by the Company, evidencing the Large-Scale Acquirer's undertaking to the Board of Directors that such Large-Scale Acquirer shall comply with the procedures set out in the Plan (hereinafter referred to as the "Large-Scale Acquisition Rules"), and bearing the signature or the name and seal impression of the Large-Scale Acquirer's representative, as well as a certificate of qualification with regard to the representative who affixes such signature or name and seal impression (together, hereinafter referred to as the "Intention Letter").

In addition to the undertaking to comply with the Large-Scale Acquisition Rules, the Intention Letter shall clearly set forth the Large-Scale Acquirer's name or appellation, address or location of its principal office, business office, etc., the governing law of its establishment, its representative's title and name, purpose and details of business, outline of major shareholders or major investors (with the top ten shareholding or investment ratio), contact information in Japan, number of shares, etc. of the Company actually held by the Large-Scale Acquirer, status of transaction of shares, etc. of the Company by the Large-Scale Acquirer over 60 days preceding the submission of the Intention Letter, and the outline of the contemplated Large-Scale Acquisition Action, and other matters. Additionally, only Japanese shall be used in the Intention Letter.

When the Intention Letter is provided by the Large-Scale Acquirer, the Company shall, in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations, make appropriate and timely disclosure of such matters as the Board of Directors or the Independent Committee finds appropriate.

(c) Request to the Large-Scale Acquirer for Provision of Information

Within five (5) business days from the day on which the Board of Directors and the Independent Committee receive the Intention Letter (The first day of the period shall not be counted.), the Large-Scale Acquirer shall be required to submit to the Board of Directors the information set out in (i) through (xvi) below (hereinafter referred to as the "Large-Scale Acquisition Information") together with a document undertaking that the Large-Scale Acquirer does not fall under an Abusive Acquirer (as defined in item (f) a (ii) below. The same shall apply hereinafter). Upon receipt of the Large-Scale Acquisition Information, the Board of Directors shall forthwith submit the same to the Independent Committee.

Furthermore, if the Board of Directors or the Independent Committee determines that, solely on the basis of the information initially provided by the Large-Scale Acquirer, it would be difficult for the shareholders to appropriately determine whether to accept the Large-Scale Acquisition Action, or for the Board of Directors and the Independent Committee to form an opinion as to the acceptability of such Large-Scale Acquisition Action (hereinafter referred to as the "Opinion Formation") or devise an alternative proposal (hereinafter referred to as the "Alternative Proposal Formulation") and present the same to the shareholders in an appropriate manner, then the Board of Directors may, upon fixing a reasonable period (up to sixty (60) days from the day on which additional information has been requested from the Large-Scale Acquirer. The first day of the period shall not be counted.) (hereinafter referred to as the "Necessary Information Provision Period") before the submission deadline, disclose the period so fixed and the reasons for requiring such reasonable period to the shareholders, and request that the Large-Scale Acquirer at any time provide additional information necessary for the shareholders' appropriate assessment and for the Opinion Formation by the Board of Directors or the Independent Committee or for the Alternative Proposal Formulation. However, as the specific details of the Large-Scale Acquisition Information may differ depending on the details and the scale of the relevant Large-Scale Acquisition Action, the Board of Directors will take into consideration the details and the scale of the Large-Scale Acquisition Action as well as the specific status of provision of the Large-Scale Acquisition Information, and if it is determined that the information provided by the expiration of the Necessary Information Provision Period is insufficient for shareholders to appropriately make determinations or for the Board of Directors' and the Independent Committee's Opinion Formation and the Alternative Proposal Formulation, then the Board of Directors may extend the Necessary Information Provision Period for 30 days at the maximum based on the Independent Committee's recommendation. In such event, the Board of Directors shall place the maximum value on the Independent Committee's opinion.

Additionally, when the Board of Directors or the Independent Committee determines that the provision of information by the Large-Scale Acquirer is complete (if part of the requested information is not submitted, and if the Board of Directors or the Independent Committee determines that reasonable explanation has been given in relation to such non-submission, they may deem that provision of Large-Scale Acquisition Information has been completed) or the Necessary Information Provision Period expires, the Company shall make immediate disclosure to that effect in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations. As stated in item (d) below, the Board Assessment Period (as defined in item (d) below) shall start from the day immediately following the date of disclosure. Further, in accordance with the decision of the Board of Directors or the Independent Committee, the Company shall, as a general rule, make appropriate and timely disclosure of such part of the Large-Scale Acquisition Information as deemed necessary for the shareholders to make an appropriate decision on whether to accept such Large-Scale Acquisition Action, in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations at an appropriate time after receiving the Large-Scale Acquisition Information.

Incidentally, provision of the Large-Scale Acquisition Information in accordance with the Large-Scale Acquisition Rules and other notifications and communications to the Company shall be made only in Japanese.

(i) Outline of the Large-Scale Acquirer and its group companies (which shall include major shareholders or investors (whether direct or indirect; the same shall apply hereinafter), material subsidiaries and affiliates, and co-holders and special interested parties, and if the Large-Scale Acquirer is a fund or an entity concerning investment thereof (whether established based on laws of Japan or a foreign country, and irrespective of the form of laws; the "Fund") or if there is a Fund substantially controlled or operated by the Large-Scale Acquirer, its partners, investors, or other members as well as general partners (*gyomu shikko kumiaiin*) and persons who continuously provide investment advice shall also be included; the same shall apply hereinafter) (such outline shall include each party's history, specific name, address, law governing its establishment, capital structure, invested party, investment ratio to the invested party, details of

business, details of finance, details of investment policies, details of investment and financing activities over the past 10 years, whether its falls under the category of a "foreign investor" as set forth in Article 26, paragraph 1 of the Foreign Exchange and Foreign Trade Act (the "Foreign Exchange Act") and information which will be the ground thereof, whether there has been any violation of laws or regulations within the past 10 years (and if there is such violation, an outline thereof), information on details of experience in the same type of business as that of the Company and the Company Group, the possibility of competition in the future, and other matters, and names, brief background descriptions, and records of previous violation of laws or regulations in respect of officers (and if there are such records, an outline thereof);

(ii) (a) The status of holding the Company's shares, etc.; (b) the status of holding and the status of contracts concerning derivatives and other derivative instruments whose underlying assets are the Company's shares, etc. or assets related to the Company Group's business; and (c) the status of lending or borrowing, or short-selling of, the Company's shares, etc. by the Large-Scale Acquirer and its group companies;

(iii) If there is any lease agreement, collateral agreement, sell-back agreement, reservation for sale, or other material agreement or arrangement (the "Collateral Agreements") in respect of the Company's shares, etc. already held by the Large-Scale Acquirer and its group companies, then the specific details of such Collateral Agreements, including the type of, the name of counterparty to, and the number of shares, etc. of the Company, subject to, such agreements;

(iv) If the Large-Scale Acquirer intends to execute the Collateral Agreement or any other agreement with a third party in respect of the Company's shares, etc. to be acquired through the Large-Scale Acquisition Action, then the specific details of such agreement, including the type of, the name of counterparty to, and the number of shares, etc. of the Company subject to, such agreement;

(v) Detailed description of the internal control system (including the internal control system within the group; the same shall apply hereinafter) of the Large-Scale Acquirer and its group as well as the effectiveness and status of such system;

(vi) With respect to the relevant Large-Scale Acquisition Action, its purpose (details of the purpose disclosed in the Intention Letter; if there are other purposes such as acquisition of control, participation in management, net investment, policy investment, transfer of the Company's shares, etc. to a third party after the Large-Scale Acquisition Action, or making a material proposal (meaning a material proposal as defined in Article 27-26, paragraph 1 of the Financial Instruments and Exchange Act; the same shall apply hereinafter), including an outline thereof; if there are multiple purposes, all of them are to be included), method, and details (including whether there is any intention to participate in the management, type, and number of the Company's shares, etc., which are intended to be acquired through the Large-Scale Acquisition Action, holding ratio of shares, etc. after the purchase through the Large-Scale Acquisition Action, type, and amount of consideration in respect of the Large-Scale Acquisition Action, timing of such action, structure of the related transactions, legality of the method of such action, feasibility of such action and the related transactions (details of the conditions if the Large-Scale Acquisition Action is subject to certain conditions), and holding policies for the Company's shares, etc. upon the completion of such Large-Scale Acquisition Action, and if delisting of the Company's shares, etc., is expected upon the completion of such Large-Scale Acquisition Action, a statement to that effect and the reasons therefor);

(vii) Whether there has been any communication with third parties in connection with the relevant Large-Scale Acquisition Action (including communication to the Company with respect to the intention to make a material proposal; the same shall apply hereinafter), and if there has been such communication, the specific manner and contents thereof and the outline of such third party;

(viii) Basis for the calculation of the price, etc., for the Large-Scale Acquisition Action as well as the calculation process (including facts and assumptions as the suppositions for calculation, calculation method, name of the calculation agent and information regarding such calculation agent, outline of the calculation agent's opinion and the process leading to the determination of the amount after considering such opinion, numerical values used for calculation, and the amount of synergy and dis-synergy expected to arise as a result of a series of transactions relating to the Large-Scale Acquisition Action and the calculation basis therefor);

(ix) Financial support for the acquisition, etc., in connection with the Large-Scale Acquisition Action (including specific names of the relevant fund providers (including substantial providers (whether direct or indirect)), financing methods, existence and details of conditions for financing, existence and details of collateral or covenants after the financing, and specific terms of the related transactions);

(x) Expected management policies for the Company Group after the completion of the Large-Scale Acquisition Action, brief background and such other information of nominees for directors expected to be dispatched after the completion of the Large-Scale Acquisition Action (including information relating to knowledge, experience, etc., in the business of the Company and its group or in any similar trade), business plan, financial plan, financing plan, investment plan, capital policy, dividend policy, asset utilization policy, etc., (including plans to sell, offer as collateral, or otherwise dispose of the Company's and the Company Group's assets after the completion of the Large-Scale Acquisition Action), and other policies of how, after the completion of the Large-Scale Acquisition Action, the officers, employees, business partners, customers, and local affiliates (including the local government bodies in the areas where the Company's research center, factories, etc., are situated), and other interested parties of the Company and the Company Group will be responded to or treated;

(xi) Whether there is any association with any antisocial forces or terrorist organizations (whether directly or indirectly), and if there is any such association, the details of the association as well as the policy to deal with the foregoing;

(xii) Specific measures for avoiding conflicts of interest between the Large-Scale Acquirer and the Company's other shareholders;

(xiii) Document for undertaking that the Large-Scale Acquirer is not falling under the category of an Abusive Acquirer;

(xiv) Regulated matters under the Foreign Exchange Act and other domestic and foreign Laws and Regulations which may be applicable to the Large-Scale Acquisition Action, and the feasibility of obtaining necessary approvals, permissions, licenses, etc., from domestic and foreign governments or third parties under the Anti-Monopoly Law, the Foreign Exchange Act, and other Laws and Regulations (additionally, an opinion of a qualified attorney in the relevant jurisdiction shall be required with regard to these matters);

(xv) Possibility of maintaining domestic and foreign permissions, licenses, etc., required for the operation of the Group and possibility of complying with various domestic and foreign Laws and Regulations after the completion of the Large-Scale Acquisition Action;

(xvi) Such other information as the Board of Directors or the Independent Committee finds reasonably necessary where a written request for such information is made to the Large-Scale Acquirer within five (5) business days (The first day of such period shall not be counted.), as a general rule, from the day on which the Board of Directors receives the complete Intention Letter in the appropriate form.

(d) Setting of Assessment Period for the Board of Directors

The Board of Directors shall set a period for its assessment, review, Opinion Formation, Alternative Proposal Formulation, and negotiation with the Large-Scale Acquirer (hereinafter referred to as the "Board Assessment Period") for the number of days set out in (i) or (ii) below (in either case, such period shall be calculated from the day immediately following the day on which the Company discloses that the Board of Directors or the Independent Committee has determined that the provision of the Large-Scale Acquisition Information is completed or that the Necessary Information Provision Period has expired), depending on the contents of the Large-Scale Acquisition Action disclosed by the Large-Scale Acquirer.

Unless otherwise provided in the Plan, the Large-Scale Acquisition Action shall commence only after the expiration of the Board Assessment Period. It is noted that such Board Assessment Period has been established in light of the difficulty in assessing and reviewing the Company's business and the level of difficulty in Opinion Formation, Alternative Proposal Formulation, etc.

(i) In the event that all the shares, etc., of the Company are covered by the takeover bid for consideration in cash (in Japanese yen) only: sixty (60) days at the maximum;

(ii) In the event of the Large-Scale Acquisition Action except in the case of (i): ninety (90) days at the maximum.

During the Board Assessment Period, the Board of Directors shall, based on the Large-Scale Acquisition Information provided by the Large-Scale Acquirer, conduct the evaluation, review, Opinion Formation, Alternative Proposal Formulation, and negotiation with the Large-Scale Acquirer in connection with the contemplated Large-Scale Acquisition Action with a view to ensuring and enhancing the Company's corporate value and the shareholders' common interests. In conducting the foregoing, the Board of Directors shall obtain advice, as needed, from professional advisors (such as financial advisors, attorneys, certified public accountants, and tax accountants; the same shall apply hereinafter) who are in the third party position and independent from the Board of Directors. Any and

all expenses incurred therefor shall be borne by the Company except in an exceptional case where it is found unreasonable.
Additionally, if there is an unavoidable situation where the Board of Directors is unable to adopt a resolution on whether to initiate the countermeasures within the Board Assessment Period because, for instance, the Independent Committee is unable to provide the recommendation specified in (f) below within the Board Assessment Period, then the Board of Directors may extend the Board Assessment Period to the extent necessary up to thirty (30) days (The first day of the period shall not be counted.) based on a recommendation of the Independent Committee. If the Board of Directors decides to extend the Board Assessment Period, the specific number of days so extended and the reason for such extension shall be disclosed in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations.

(e) Establishment of the Independent Committee
In continuing the takeover response policies under the Plan, for the purpose of eliminating arbitrary decisions on the part of the Board of Directors in respect of the initiation of the Plan, the Company has established the independent committee (hereinafter referred to as the "Independent Committee"), which shall consist of at least three (3) members from among Outside Directors and Outside Corporate Auditors (including alternates thereof) as well as outside experts (such as attorneys, certified public accountants, and university professors), who shall be independent from the management operating the Company's business, and under the Plan even after the transition to a company with Audit and Supervisory Committee, the Company will continue the Independent Committee consisting of at least three (3) members from among Outside Directors (including alternates thereof) and outside experts. In appointing members of the Independent Committee from among the Outside Directors, those notified by the Company to Tokyo Stock Exchange, Inc. as Independent Officers shall be prioritized.
The Independent Committee may obtain advice, as needed, from professional advisors who are in the third party position and independent from the Board of Directors and the Independent Committee. Any and all expenses incurred in obtaining such advice shall be borne by the Company except in an exceptional case where it is found unreasonable.
The names and brief background descriptions of those who are intended to initially assume office as the member of the Independent Committee upon continuation of the takeover response policies under the Plan are as summarized in Annex 4.
As a general rule, resolutions of the Independent Committee shall be adopted by the majority of the members present at a meeting where all the incumbent committee members are present. However, in the disability of any member of the Independent Committee, or if there is any other justifiable reason, such resolutions may be adopted by the majority of the members present at a meeting where the majority of the Independent Committee members are present.

(f) Procedures for Recommendations of the Independent Committee and Resolutions by the Board of Directors
a. Recommendations of the Independent Committee
During the Board Assessment Period, the Independent Committee shall make recommendations to the Board of Directors with regard to the relevant Large-Scale Acquisition Action as set forth in (i) through (iii) below.
(i) When any of the Large-Scale Acquisition Rules is not complied with:
If the Large-Scale Acquirer breaches any of the Large-Scale Acquisition Rules in a material respect, and such breach is not cured within five (5) business days after the Board of Directors gives such Large-Scale Acquirer a written request to cure such breach (The first day of the period shall not be counted.), then as a general rule, the Independent Committee shall recommend that the Board of Directors initiate the countermeasures against the Large-Scale Acquisition Action and other matters that the Independent Committee deems necessary, except where it is clearly necessary to refrain from initiating the countermeasures or when any other particular circumstances exist in order to ensure and enhance the Company's corporate value or the shareholders' common interests. If such recommendation is made, the Company shall disclose the Independent Committee's opinion, reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations.
Additionally, even after the Independent Committee has recommended that the Board of Directors initiate the countermeasures, if the Large-Scale Acquisition Action is withdrawn, or if otherwise the facts and other circumstances that formed the basis for such

recommendation are altered, then the Independent Committee may recommend that the Board of Directors discontinue the countermeasures or not initiate the countermeasures, or make other recommendations. If such further recommendation is made, the Company shall also disclose the Independent Committee's opinion, reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations.

(ii) When the Large-Scale Acquisition Rules are complied with:

When the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules, the Independent Committee shall, as a general rule, recommend that the Board of Directors refrain from initiating the countermeasures.

However, even if the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules, the Independent Committee shall recommend that the Board of Directors initiate the countermeasures against such Large-Scale Acquisition Action if such Large-Scale Acquirer is recognized as having any of the circumstances set out in (A) through (I) below (hereinafter collectively referred to as the "Abusive Acquirer"), and if the Independent Committee determines that it is reasonable to initiate the countermeasures against the relevant Large-Scale Acquisition Action.

(A) When the Large-Scale Acquirer does not have a true intention of participating in the management of the Company, but acquires or intends to acquire the Company's shares, etc., for the purpose of making parties concerned with the Company buy back the shares at an inflated stock price (so-called "green mailer"), or when the main purpose of acquiring the Company's shares, etc., is to earn a short-term margin;

(B) When the main purpose of participating in the management of the Company is to temporarily control the management of the Company and cause it to transfer to the Large-Scale Acquirer, its group companies, etc., the Company's intellectual property rights, know-how, trade secrets, major business partners, customers, etc., which are essential to the Company's business operation;

(C) When the Large-Scale Acquirer is acquiring the Company's shares, etc., with the intention of diverting the Company's assets as collateral or funds for repayment of obligations of such Large-Scale Acquirer, its group companies, etc., after taking control over the management of the Company (Provided, however, that the initiation of the countermeasures shall be determined based on whether the Company's corporate value or the shareholders' common interests would be impaired. The Company shall not initiate the countermeasures merely because this item (C) formally applies.);

(D) When the main purpose of participating in the management of the Company is to temporarily control the management of the Company and cause the Company to sell or otherwise dispose of its real properties, securities, and other high-priced assets, which are irrelevant to the Company's business for the time being, and then distribute high dividends temporarily with gains from such disposition or sell the shares at a high price, seizing the timing of a sharp rise of the stock price due to temporary high dividend payments (Provided, however, that the initiation of the countermeasures shall be determined based on whether the Company's corporate value or the shareholders' common interests would be impaired. The Company shall not initiate the countermeasures merely because this item (D) formally applies.);

(E) When, after acquiring the Company's shares, the Large-Scale Acquirer, who neither shows particular interest nor is involved in the Company's management, uses every possible means to achieve the sole purpose of making capital gains on a short to medium term basis through resale of the Company's shares back to the Company or to a third party, just in pursuit of the Large-Scale Acquirer's own profit and even to the point of considering an option to dispose of the Company's assets;

(F) When it is determined on reasonable grounds that the conditions proposed by the Large-Scale Acquirer for acquisition of the Company's shares, etc., (including, but not limited to, type of consideration for acquisition, price, calculation basis therefor, contents, timing, method, illegality, and feasibility) are insufficient or inappropriate in light of the Company's corporate value;

(G) When the method of acquisition proposed by the Large-Scale Acquirer is such an oppressive method that the shareholders' opportunity for assessment or freedom may be restricted due to the structure of such method, as exemplified by two-tiered acquisition (acquisition of shares, etc., in a manner wherein the terms for the second-stage acquisition are set more disadvantageous or are unclear if all of the Company's shares,

etc., are not acquired at the first-stage of acquisition, or otherwise concerns of the future liquidity of the Company's shares, etc., are raised by suggesting delisting, etc., and thereby the shareholders are effectively coerced into accepting the acquisition) or a partial takeover bid (a takeover bid for not all but part of the Company's shares, etc.);

(H) When, as a result of the Large-Scale Acquirer's acquisition of control over the Company, it is expected that a relationship with not only the shareholders but also the parties contributing to the shareholders' common interests may be destroyed or impaired, and consequently, the shareholders' common interests may be substantially impaired, or it is determined on reasonable grounds that the shareholders' common interests may be substantially prevented from being ensured and enhanced; or when it is determined that, in comparison with a future corporate value in the mid- and long-term, the Company's corporate value resulting from the Large-Scale Acquirer's taking of control over the Company would be apparently inferior to the Company's corporate value where the Large-Scale Acquirer does not take control over the Company; or

(I) When it is determined on reasonable grounds that the Large-Scale Acquirer would be unsuitable as the Company's controlling shareholder; for instance, where the Large-Scale Acquirer's management or any of its major shareholders or investors is a party associated with antisocial forces or terrorist organizations.

Additionally, the procedures set out in (i) above shall apply mutatis mutandis to the disclosure procedures relating to such recommendation or the procedures relating to the subsequent further recommendation.

(iii) Other recommendations, etc., by the Independent Committee

In addition to the above, the Independent Committee may give the Board of Directors recommendations, as necessary, on any matter appropriate in view of the maximization of the Company's corporate value or the shareholders' common interests, or make recommendations to discontinue the countermeasures or not initiate the countermeasures where permitted by certain Laws and Regulations.

Additionally, the procedures set out in (i) above shall apply mutatis mutandis to the disclosure procedures relating to such recommendation or the procedures relating to the subsequent further recommendation.

b. Resolutions by the Board of Directors

In the event that the Board of Directors determines, upon placing the maximum value on the Independent Committee's recommendation, that certain criteria set out in the Guideline are met, including the case where the Large-Scale Acquisition Action is not in accordance with the Large-Scale Acquisition Rules, then the Board of Directors shall adopt a resolution for initiating or not initiating the countermeasures, convocation of a general meeting of shareholders to confirm the shareholders' will regarding whether it is necessary to initiate the countermeasures against the Large-Scale Acquisition Action and the content thereof (the "Shareholders' Will Confirmation Meeting"), or any other necessary resolution, based on the Guideline.

Additionally, even after the Independent Committee has recommended that a resolution to not initiate the countermeasures shall be adopted, if the Board of Directors finds that the directors' fiduciary duty (*zenkan chui gimu*) is likely to be violated by placing the maximum value on the Independent Committee's recommendation and complying with such recommendation or that other similar circumstances exits, then the Board of Directors may choose to adopt a resolution to initiate the countermeasures, or not to adopt a resolution to refrain from initiating the countermeasures, and then convene the Shareholders' Will Confirmation Meeting to present before the shareholders the question of whether to initiate the countermeasures, by the means set out in item c. below.

Moreover, when the Board of Directors is to initiate the countermeasures, a resolution of the Board of Directors shall be adopted after obtaining approval from all Audit and Supervisory Committee members.

Also, even after the Independent Committee has made a recommendation for initiating the countermeasures, the Board of Directors may stop the initiation of the countermeasures or make other determinations if the Large-Scale Acquisition Action is withdrawn, or if the facts and other circumstances that formed the basis for such recommendation are altered.

Upon adopting such resolution, the Company shall disclose the opinion of the Board of Directors, reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations.

c. Convening of the Shareholders' Will Confirmation Meeting

If the Board of Directors determines, in its own judgment, that the Shareholders' Will Confirmation Meeting should be held in order to present to the shareholders the question of whether to initiate the countermeasures under the Plan, then the Board of Directors shall convene the Shareholders' Will Confirmation Meeting as soon as possible. In such event, the Board of Directors will disclose the scope of shareholders who are entitled to exercise voting rights at the meeting, the record date for the exercise of voting rights, date and time of holding the meeting, and other details, in accordance with applicable Law and Regulations. A resolution of the Shareholders' Will Confirmation Meeting shall be adopted by the majority of voting rights of shareholders who can exercise their voting rights and are present at such meeting.

The relevant Large-Scale Acquisition Action shall be carried out after the proposal for initiating the countermeasures is rejected at the Shareholders' Will Confirmation Meeting, and the Shareholders' Will Confirmation Meeting is closed. If the proposal for initiating the countermeasures under the Plan is adopted at the Shareholders' Will Confirmation Meeting, the Board of Directors shall adopt a resolution to initiate the countermeasures under the Plan against the Large-Scale Acquisition Action. If the proposal for initiating the countermeasures under the Plan is rejected at the Shareholders' Will Confirmation Meeting, the countermeasures under the Plan shall not be initiated against the relevant Large-Scale Acquisition Action.

Additionally, even after the convocation procedures for the Shareholders' Will Confirmation Meeting are taken, if the Board of Directors subsequently adopts a resolution not to initiate the countermeasures, or the Board of Directors comes to find it reasonable to adopt a resolution to initiate the countermeasures, then the Company may cancel the procedures for convening the Shareholders' Will Confirmation Meeting. In the event of the adoption of such resolution, the Company shall also disclose the opinion of the Board of Directors, reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations.

(g) Modification of Large-Scale Acquisition Information

After the Company discloses its determination that the provision of the Large-Scale Acquisition Information under the provisions in (c) above has been completed, if the Board of Directors or the Independent Committee determines that any material modification has been made by the Large-Scale Acquirer to the Large-Scale Acquisition Information, then the Company shall disclose to that effect, together with reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations, and thereupon the procedures under the Plan in connection with the Large-Scale Acquisition Action based on the previous Large-Scale Acquisition Information (hereinafter referred to as the "Earlier Large-Scale Acquisition Action") shall be discontinued, and the Large-Scale Acquisition Action based on the modified Large-Scale Acquisition Information shall be treated as another Large-Scale Acquisition Action, separate from the Earlier Large-Scale Acquisition Action, and the procedures under the Plan shall apply anew to such action.

(h) Specific contents of the countermeasures

The countermeasures to be initiated by the Company against the Large-Scale Acquisition Action under the Plan is expected to take the form of gratuitous allotment of stock acquisition rights as set forth in Article 277 and subsequent provisions of the Companies Act (stock acquisition rights so allotted shall be referred to as "Stock Acquisition Rights" hereinafter). However, if it is determined to be reasonable to initiate other measures that the Board of Directors is authorized to take by the Companies Act or other laws or regulations or the Company's Articles of Incorporation, those measures may be taken.

The outline of gratuitous allotment of Stock Acquisition Rights as the countermeasures against the Large-Scale Acquisition Action is as set out in Annex 5, but when the Stock Acquisition Rights are actually distributed as gratuitous allotment, the exercise period, conditions for exercise, terms for acquisition, etc., such as the following, may be provided by taking into consideration their effectiveness as the countermeasures against the Large-Scale Acquisition Action: (i) an exercise condition to the effect that the right may not be exercised by any Excluded Party or (ii) terms of acquisition to the effect that if the Company acquires part of the Stock Acquisition Rights, the Company may only acquire the Stock Acquisition Rights held by the shareholders other than the Excluded Parties, and terms of acquisition to the effect that while the Company acquires the Stock Acquisition Rights held by the shareholders other than the Excluded Parties in exchange for the Company's common shares, the

Company acquires the Stock Acquisition Rights held by the Excluded Parties in exchange for other Stock Acquisition Rights with certain conditions for exercise or terms for acquisition.
The Company may adopt a resolution at the Board of Directors and register issuance of the Stock Acquisition Rights so that gratuitous allotment of the Stock Acquisition Rights may be conducted quickly as the countermeasures.

3. Effective Period, Continuance, Abolishment, Amendment, etc., of the Plan

In continuing the takeover response policies under the Plan, the Company shall submit a proposal for approval of the continuance of takeover response policies under the Plan to the Ordinary General Meeting of Shareholders in order to provide the opportunity to appropriately reflect the shareholders' will.
The Plan shall remain effective from the time when the proposal for approval of the continuance of takeover response policies under the Plan is approved and adopted at the Ordinary General Meeting of Shareholders until the closing of the first meeting of the Board of Directors to be held after the ordinary general meeting of shareholders for the last fiscal year ending within two (2) years from the Ordinary General Meeting of Shareholders. However, at the time of the closing of that Board of Directors' meeting, if there is a party that is actually carrying out a Large-Scale Acquisition Action or a party that intends to carry out a Large-Scale Acquisition Action and is designated by the Independent Committee, then, in relation to the Large-Scale Acquisition Action that is being carried out or intended, the Plan shall continue to apply after the closing of the above-mentioned Board of Directors' meeting. That being said, even before the expiration of such effective period, (i) if a proposal for abolishing the Plan is approved at a general meeting of shareholders of the Company based on the Company's proposal, or (ii) if the Board of Directors adopts a resolution to abolish the Plan, then the Plan shall be abolished at such time. The term of office of the Company's directors (excluding those who are Audit and Supervisory Committee members) is one (1) year; by exercising voting rights for the proposal for appointing directors at the ordinary general meeting of shareholders of the Company, it is possible to confirm the shareholders' will regarding continuance or abolition of the Plan. In addition, if the proposal for approval of the continuing of takeover response policies under the Plan is not adopted at the Ordinary General Meeting of Shareholders, the Plan shall not become effective and the Former Plan shall be terminated at the closing of the Ordinary General Meeting of Shareholders.
At the first meeting of the Board of Directors to be held after the closing of the ordinary general meeting of shareholders of the Company after this year, the Board of Directors shall, as needed, review to determine whether to continue, abolish, or amend the Plan, and if necessary, a resolution shall be adopted as required.
Furthermore, the Company may, at the Board of Directors, upon obtaining approval of the Independent Committee, reexamine or amend the Plan as needed to the extent considered reasonably necessary due to an amendment to Laws and Regulations as well as the Financial Instruments Exchange Regulations, or a change in the interpretation or operation of the foregoing, or a change in the taxation system, court cases, etc. However, when any material changes are made to the Plan, a proposal for approval of the introduction of the changed Plan shall be submitted to a general meeting of shareholders of the Company for the Company to have an opportunity to appropriately reflect the shareholders' will, and the changed Plan shall become effective subject to approval of the shareholders for that proposal.
In the event that a resolution is adopted to abolish or otherwise amend the Plan, the Company shall disclose such matters as the Board of Directors or the Independent Committee finds appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations.

4. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors upon the Plan Becoming Effective

At the time when the Plan becomes effective, Stock Acquisition Rights will not be issued. Accordingly, there will be no direct, concrete impact on the rights and economic interests of the shareholders and investors when the Plan becomes effective.

(2) Impact on Shareholders and Investors upon Making Gratuitous Allotment of Stock Acquisition Rights

The Board of Directors may take the countermeasures under the Plan against a Large-Scale Acquisition Action for the purpose of securing and enhancing the corporate value or the shareholders' common interests, and given the structure of the countermeasures currently anticipated, the per share value of the Company's shares held by the shareholders is expected to be diluted at the time of issuance of Stock Acquisition Rights, but because the value of the whole shares of the Company held by the shareholders would not be diluted, it is not anticipated that this would bring any direct, concrete impact on the legal rights and economic interests of the shareholders and investors.
However, with respect to the Excluded Parties, if the countermeasures is initiated, there may be some impact as a result on the legal rights and economic interests of such parties.

In addition, if a resolution of gratuitous allotment of Stock Acquisition Rights is adopted in connection with the countermeasures, and after the shareholders to receive gratuitous allotment of Stock Acquisition Rights are fixed, if the Company suspends gratuitous allotment of Stock Acquisition Rights, or gratuitously acquires Stock Acquisition Rights once allotted gratuitous, then because the per share value of the Company's stock will not be diluted as a result, any investor who has sold or purchased on the assumption that the per share value of the Company's shares would be diluted may suffer a fair amount of loss due to stock price fluctuations.

The procedures to be taken by the shareholders for exercise and acquisition of Stock Acquisition Rights gratuitously allotted are as set forth below.

In the event that the Board of Directors adopts a resolution to make gratuitous allotment of Stock Acquisition Rights, the Company shall fix the record date for allotment of Stock Acquisition Rights, and the Stock Acquisition Rights shall be allotted to the shareholders on the relevant record date in proportion to the number of shares held by them respectively.

The Company shall send to the shareholders on the record date a request form for exercise of Stock Acquisition Rights (such form shall be prescribed by the Company, and may include the statement pledging, among other matters, that the shareholder is not an Excluded Party, and to the effect that such shareholder shall immediately return the Company's common shares delivered if such pledge turns out to be false) and other documents required for the exercise of such Stock Acquisition Rights. When any of the shareholders pays one (1) yen for each Stock Acquisition Right at the place designated for such payment and also submits the necessary documents within the exercise period for Stock Acquisition Rights to be separately prescribed by the Board of Directors, one (1) Company common shares shall be issued to such shareholder. However, no Excluded Party may be allowed to exercise such Stock Acquisition Rights.

On the other hand, if the terms of acquisition of Stock Acquisition Rights are provided and the Company intends to acquire Stock Acquisition Rights, the shareholders may receive the Company's common shares as consideration for the Company's acquisition of such Stock Acquisition Rights without paying the amount otherwise payable as the exercise price (additionally, in such event, the shareholders may be required to separately present a document for identity verification and documents containing information concerning the account for book-entry transfer of the Company's common shares as well as a document wherein the relevant shareholder declares, among other things, that such shareholder is not an Excluded Party, and that such shareholder shall immediately return the Company's shares so issued if such declaration turns out to be false). However, as stated above, with regard to the Excluded Parties, their Stock Acquisition Rights may not be eligible for acquisition; and the Stock Acquisition Rights held by the Excluded Parties may be acquired in exchange for other Stock Acquisition Rights with certain conditions for exercise or terms for acquisition.

Details for these procedures shall be disclosed in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations when an actual situation occurs to require such procedures, and the contents of such disclosure are to be reviewed.

5. Reasonableness of the Plan

The Plan meets three principles as stipulated in the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005: (i) principle of protection and enhancement of corporate value and the interests of shareholders as a whole, (ii) principle of prior disclosure and shareholders' will, and (iii) principle of ensuring necessity and reasonableness; and the details of the Plan are based on the practical affairs and discussions regarding the takeover response policies such as the "Takeover Defense Measures in Light of Recent Environmental Changes" released on June 30, 2008 by the Corporate Value Study Group established within the Ministry of Economy, Trade and Industry, the "Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders' Interests -" released on August 31, 2023 by the Ministry of Economy, Trade and Industry, and the "Principle 1.5 Anti-Takeover Measures" of the "Corporate Governance Code" introduced by the Tokyo Stock Exchange on June 1, 2015 and revised respectively on June 1, 2018 and June 11, 2021; thus the Plan is highly reasonable.

(1) Ensuring and Enhancing of Corporate Value or Shareholders' Common Interests

As indicated in 2. (1) above, the Plan will be continued for the purpose of ensuring and enhancing the Company's corporate value or the shareholders' common interests by ensuring, through requesting the Large-Scale Acquirer to provide necessary information relating to the relevant Large-Scale Acquisition Action in advance and to allow a period for deliberation and negotiation, that the shareholders make appropriate assessment as to whether to accept such Large-Scale Acquisition Action, and that the Board of Directors presents its view toward such Large-Scale Acquisition Action or the Alternative Proposal to the shareholders, or negotiates with the Large-Scale Acquirer for the benefit of the shareholders.

(2) Prior Disclosure

The Company makes prior disclosure of the Plan in order to increase the predictability for the shareholders and investors as well as the Large-Scale Acquirer and secure a fair opportunity for the shareholders to make a choice.

Also in the future, the Company intends to make appropriate and timely disclosure as needed in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations.

(3) Emphasis on Shareholders' will

The Company intends to ascertain the shareholders' will by submitting the proposal of continuance of takeover response policies under the Plan for approval at the Ordinary General Meeting of Shareholders. As stated above, if a proposal for abolishing the Plan is approved at the general meeting of shareholders of the Company based on the Company's proposal, the Plan shall be discontinued at such time, and as such, the continuance of the Plan is up to the shareholders.

(4) Procurement of Outside Experts' Opinion

As indicated in 2. (2) (d) above, in conducting assessment, review, the Opinion Formation, the Alternative Proposal Formulation, and negotiation with the Large-Scale Acquirer in relation to the Large-Scale Acquisition Action, the Board of Directors will conduct a deliberation upon obtaining advice of outside third party professional advisors independent of the Board of Directors, as needed. In this way, the objectivity and reasonableness will be secured with respect to determinations of the Board of Directors.

(5) Establishment of the Independent Committee

As indicated in 2. (2) (e) above, the Company will establish the Independent Committee in order to ensure the necessity and reasonableness of the Plan and prevent the management from abusing the Plan for their own protection, and in the event that the Board of Directors initiates the countermeasures, the Board of Directors shall place the maximum value on the Independent Committee's recommendation in order to ensure fairness in decisions of the Board of Directors and eliminate arbitrary decisions on the part of the Board of Directors. In addition, the Independent Committee may obtain advice from third party professional advisors independent of the Board of Directors and the Independent Committee, as needed. By doing so, the objectiveness and reasonableness concerning the Independent Committee's recommendation will be ensured.

(6) Establishment of the Guideline

In order to prevent the Board of Directors from making arbitrary decisions and treatments in various procedures under the Plan and to ensure procedural transparency, the Company has established the Guideline as an internal policy incorporating objective requirements. The establishment of the Guideline will increase the objectivity and transparency of the policy to be relied upon in making decisions to initiate, not to initiate, or to suspend the countermeasures, and provide sufficient foreseeability with respect to the Plan (see Annex 3 for the outline of the Guideline).

(7) No Dead-Hand or Slow-Hand Takeover Defense Measures

As stated in 3. above, because the Plan may be abolished at any time by resolution of the general meeting of shareholders of the Company based on the Company's proposal or by resolution of the Board of Directors comprising the directors appointed at the general meeting of shareholders, it is not the so-called "dead-hand" type takeover defense measure (a takeover defense measure which cannot be prevented from being initiated even if the majority of members on the Board of Directors is replaced)

Moreover, the Company is scheduled for the transition to a company with Audit and Supervisory Committee subject to the approval of the Ordinary General Meeting of Shareholders; however, even after the transition to a company with Audit and Supervisory Committee, as the term of office of the directors (excluding those who are Audit and Supervisory Committee members) is one (1) year and the term of office of the directors who are Audit and Supervisory Committee members is two (2) years, which are the terms of office provided in the Companies Act, and a system of staggered terms of office has not been adopted, the Plan is not the so-called "slow-hand" type takeover defense measure (a takeover defense measure which requires more time before being blocked because the members on the Board of Directors cannot be replaced all at once).

END

(Annex 1)

Overview of Shareholding in the Company (as of March 31, 2025)

1. Total Number of Shares

Type	Total Number of Authorized Shares (shares)
Common shares	291,000,000
Total	291,000,000

2. Issued Shares

Type	Total Number of Issued Shares (shares)	Name of the Financial Instruments Exchange on which the Shares are Listed	Details
Common shares	73,501,425	Prime Market of the Tokyo Stock Exchange	The number of shares constituting one unit is 100.

3. Information on Large Shareholders

Name	Number of Shares Owned (thousand shares)	Percentage of Shares Owned (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,181	13.03
Nippon Thompson Business Partners Shareholders' Association	5,841	8.29
Nippon Life Insurance Company	4,262	6.05
Custody Bank of Japan, Ltd. (Trust Account)	3,433	4.87
MM Investments Co., LTD.	2,105	2.98
Nippon Thompson Employees Shareholders' Association	2,013	2.85
Nachi-Fujikoshi Corp.	2,008	2.85
HSBC BANK PLC A/C M AND G (ACS) VALUE PARTNERS CHINA EQUITY FUND	1,998	2.83
MUFG Bank, Ltd.	1,612	2.28
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATYACCOUNT	1,400	1.98

(Note) 1. For the "Number of Shares Owned," any number of shares less than 1,000 has been omitted.
2. The Company holds 3,079,894 treasury shares (4.19%).
3. For the "Percentage of Shares Owned," figures have been calculated excluding the Company's treasury shares (3,079,894 shares) and omitted after the second decimal place. Said number of treasury shares does not include the number of the Company's shares owned by the "Board Benefit Trust" (841,900 shares) or the number of the Company's shares owned by the "Employee Stock Ownership Plan Trust" (451,000 shares).

4. Status by Owner

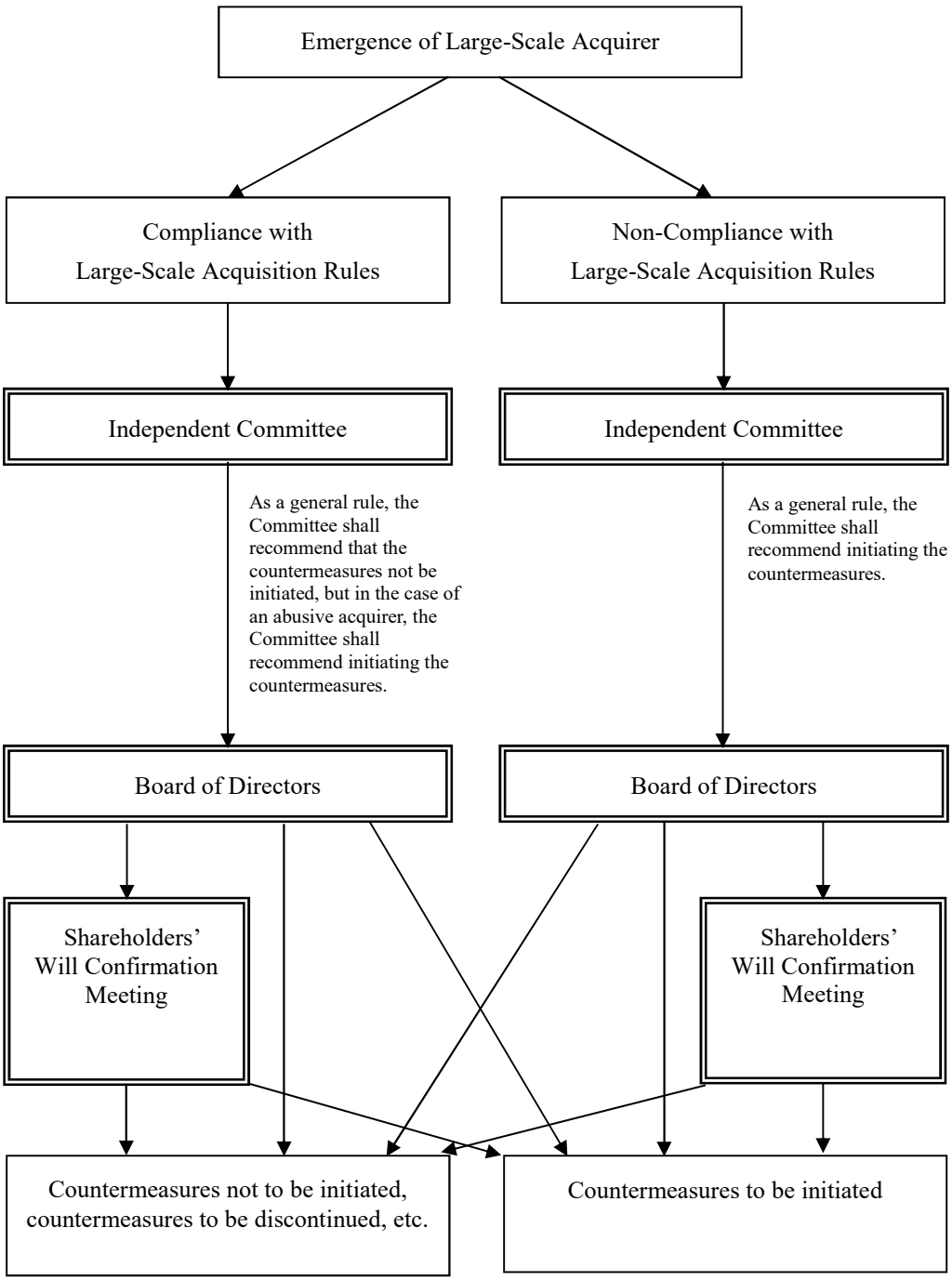
Category	Number of Shareholders	Number of Shares Owned (thousand shares)	Percentage of the Number of Shares Owned to the Total Number of Issued Shares (%)
Financial institution	27	27,561	37.50
Securities company	27	561	0.76
Other domestic corporation	146	10,573	14.39
Foreigner	141	13,817	18.80
Individual and others	10,402	17,906	24.36
Treasury share	1	3,079	4.19
Total	10,744	73,497	100.00

(Note) 1. For the "Number of Shares Owned," any number of shares less than 1,000 has been omitted.

2. For the “Percentage of the Number of Shares Owned to the Total Number of Issued Shares,” figures have been rounded to two decimal places.
3. The number of the Company’s shares owned by the “Board Benefit Trust” (841,900 shares) and the number of the Company’s shares owned by the “Employee Stock Ownership Plan Trust” (451,000 shares) are not included in “Treasury share” but are included in “Financial institution.”

(Annex 2)

FLOW OF PROCEDURES UNDER THE PLAN



Note: (Annex 2) summarizes the flow of the procedures under the Plan. Please refer to the main text for more details.

(Annex 3)

OUTLINE OF THE GUIDELINE CONCERNING THE INITIATION OF COUNTERMEASURES

1. Purpose

In connection with the countermeasures to be taken with regard to the Large-Scale Acquisition Actions of the Company's shares (hereinafter referred to as the "Plan"), the Guideline Concerning the Initiation of Countermeasures (hereinafter referred to as the "Guideline") is intended to provide the procedures and principles in advance so that, when any Large-Scale Acquirer emerges, the Board of Directors and the Independent Committee (as described below in 6.; the same shall apply hereinafter) may adopt resolutions to initiate or refrain from initiating the countermeasures such as in the form of gratuitous allotment of stock acquisition rights, and take other necessary actions, with a view to ensuring and enhancing the Company's corporate value or the shareholders' common interests.

For purposes of the Guideline, a "Large-Scale Acquisition Action" refers to any of the actions which fall or could fall under (i) through (iii) below (except actions approved in advance by the Board of Directors), and a "Large-Scale Acquirer" refers to the party who will attempt or has attempted to take such Large-Scale Acquisition Action.

(i) Purchase or other acquisition[1] in respect of the shares, etc.,[2] issued by the Company, as a result of which the percentage[3] of such shares, etc., held by a specified shareholder of the Company would become 20% or more.

(ii) Purchase or other acquisition[4] in respect of the shares, etc.,[5] issued by the Company, as a result of which the percentage[6] of such shares, etc., owned by a specified shareholder of the Company and the percentage of such shares, etc., owned by any special interested party[7] of such specified shareholder would become 20% or more in the aggregate.

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1 Includes ownership of the right to claim delivery of shares, etc., under a sale/purchase or other agreement and execution of the respective transactions set forth in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act.

2 Refers to shares, etc., as defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided.

3 Refers to the share holding percentage as defined in Article 27-23, paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided; except that, for the purpose of calculating such share holding percentage, (i) any special interested party as defined in Article 27-2, paragraph 7 of said Act, (ii) any investment bank, securities company, or other financial institution which has executed a financial advisory agreement with the relevant specified shareholder of the Company, as well as the takeover bid agent or the lead managing securities company (hereinafter referred to as the "Contracting Financial Institution(s)"), attorneys, accountants, tax accountants, or other advisors for the relevant specified shareholder of the Company, and (iii) a party who has received shares, etc. of the Company from a party who falls under (i) or (ii) above through off-market direct trading or on-market off-hours trading on the Tokyo Stock Exchange (ToSTNeT-1) shall be deemed to be a co-holder (as defined in Article 27-23, paragraph 5 of the Financial Instruments and Exchange Act and including a person who, the Board of Directors considers, is deemed to be a co-holder pursuant to paragraph 6 of said Article; the same shall apply hereinafter) of the relevant specified shareholder of the Company for purposes of the Plan. Additionally, for the purpose of calculating such share holding percentage, the most recent information publicly announced by the Company may be used for the aggregate number of the Company's issued shares.

4 Includes a purchase or other acquisition for value as well as acts similar to acquisition for value as provided in Article 6, paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act.

5 Refers to shares, etc., as defined in Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in this (ii).

6 Refers to the share ownership percentage as defined in Article 27-2, paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided. Additionally, for the purpose of calculating such share ownership percentage, the most recent information publicly announced by the Company may be used for the aggregate number of the Company's voting rights.

7 Refers to a special interested party as defined in Article 27-2, paragraph 7 of the Financial Instruments and Exchange Act; provided that, with respect to the parties indicated in item 1 of said paragraph, the party specified in Article 3, paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers shall be excluded. Additionally, (i) co-holders and (ii) Contracting Financial Institutions shall be deemed to be special interested parties of the relevant specified shareholder of the Company for purposes of the Plan. The same shall apply hereinafter unless otherwise provided.

(iii) Irrespective of whether either of the actions set out in (i) or (ii) above is carried out, an agreement or other action by and between a specified shareholder of the Company and any other shareholder(s) of the Company (including the case where more than one other shareholder is involved; the same shall apply hereinafter in this (iii)) whereby such other shareholder(s) fall under the status of co-holder of such specified shareholder, or an action[8] which establishes a relationship between such specified shareholder and such other shareholder(s) wherein either one substantially controls the other, or they operate in collaboration or coordination[9] (provided that this shall apply only if, in respect of the shares, etc., issued by the Company, the aggregate percentage of the shares, etc., held by such specified shareholder and such other shareholder(s) of the Company would become 20% or more).

2. Initiation of Countermeasures

(1) If the Large-Scale Acquirer breaches any of the Large-Scale Acquisition Rules in a material respect (including the cases where the Large-Scale Acquirer fails to provide additional, necessary information within a reasonable period prescribed by the Board of Directors, and where the Large-Scale Acquirer refuses to have discussions or negotiations with the Board of Directors), and such breach is not cured within five (5) business days after the Board of Directors gives such Large-Scale Acquirer a written request to cure such breach (The first day of the period shall not be counted.), then as a general rule, the Independent Committee shall recommend that the Board of Directors initiate the countermeasures, except where it is clearly necessary to refrain from initiating the countermeasures or when any other particular circumstances exist in order to ensure and enhance the Company's corporate value or the shareholders' common interests, or (2) even if the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules, the Independent Committee shall recommend that the Board of Directors initiate the countermeasures if such Large-Scale Acquirer is recognized as having any of the circumstances set out in (A) through (I) below (hereinafter collectively referred to as the "Abusive Acquirer"), and if the Independent Committee determines that it is reasonable to initiate the countermeasures against the relevant Large-Scale Acquisition Action. The Board of Directors shall, upon placing the maximum value on the Independent Committee's recommendation, adopt a resolution to initiate the countermeasures after obtaining approval from all Audit and Supervisory Committee members.

However, even after the Independent Committee has recommended that the Board of Directors initiate the countermeasures, if the Large-Scale Acquisition Action is withdrawn, or if the facts and other circumstances that formed the basis for such recommendation are altered, then the Independent Committee may recommend that the Board of Directors discontinue the countermeasures or not initiate the countermeasures, or make other recommendations, and if the Board of Directors finds that the directors' fiduciary duty (*zenkan chui gimu*) is likely to be violated by placing the maximum value on the Independent Committee's recommendation and complying with such recommendation or that other similar circumstances exist, then the Board of Directors may choose not to adopt a resolution to refrain from initiating the countermeasures, and then convene the Shareholders' Will Confirmation Meeting as soon as possible to present before the shareholders the question of whether to initiate the countermeasures.

(A) When the Large-Scale Acquirer does not have a true intention of participating in the management of the Company, but acquires or intends to acquire the Company's shares, etc., for the purpose of making parties concerned with the Company buy back the shares at an inflated stock price (so-called "green mailer"), or when the main purpose of acquiring the Company's shares, etc., is to earn a short-term margin;

(B) When the main purpose of participating in the management of the Company is to temporarily control the management of the Company and cause it to transfer to the Large-Scale Acquirer, its group companies, etc., the Company's intellectual property rights, know-how, trade secrets, major business partners, customers, etc., which are essential to the Company's business operation;

(C) When the Large-Scale Acquirer is acquiring the Company's shares, etc. with the intention of diverting the Company's assets as collateral or funds for repayment of obligations of such Large-Scale Acquirer, its

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[8] The judgment of whether an action specified in (iii) of the main text has been taken shall be made by the Board of Directors in accordance with recommendations by the Independent Committee. In addition, the Board of Directors may request the Company's shareholders to provide information to the extent necessary for the determination of whether the requirements under (iii) above apply.

[9] The determination of whether "a relationship ... wherein either one substantially controls the other, or they operate in collaboration or coordination" has been established shall be made on the basis of the following, among other factors: the formation of a new capital relationship, business alliance, transactional or contractual relationship, relationships concerning interlocking directors and officers, funds provision relationship, credit offering relationship, or substantial interest concerning the share, etc., of the Company through the state of purchasing of the shares, etc. of the Company, the state of voting in relation to the shares, etc. of the Company, or derivatives, stock lending, etc., or other relationships; or the impact directly or indirectly brought upon the Company by the relevant specified shareholder or the relevant other shareholder(s).

group companies, etc., after taking control over the management of the Company (Provided, however, that the initiation of the countermeasures shall be determined based on whether the Company's corporate value or the shareholders' common interests would be impaired. The Company shall not initiate the countermeasures merely because this item (C) formally applies.);

(D) When the main purpose of participating in the management of the Company is to temporarily control the management of the Company and cause the Company to sell or otherwise dispose of its real properties, securities, and other high-priced assets, which are irrelevant to the Company's business for the time being, and then distribute high dividends temporarily with gains from such disposition or sell the shares at a high price, seizing the timing of a sharp rise of the stock price due to temporary high dividend payments (Provided, however, that the initiation of the countermeasures shall be determined based on whether the Company's corporate value or the shareholders' common interests would be impaired. The Company shall not initiate the countermeasures merely because this item (D) formally applies.);

(E) When, after acquiring the Company's shares, the Large-Scale Acquirer, who neither shows particular interest nor is involved in the Company's management, uses every possible means to achieve the sole purpose of making capital gains on a short to medium term basis through resale of the Company's shares back to the Company or to a third party, just in pursuit of the Large-Scale Acquirer's own profit and even to the point of considering an option to dispose of the Company's assets;

(F) When it is determined on reasonable grounds that the conditions proposed by the Large-Scale Acquirer for acquisition of the Company's shares, etc., (including, but not limited to, type of consideration for acquisition, price, calculation basis therefor, contents, timing, method, illegality, and feasibility) are insufficient or inappropriate in light of the Company's corporate value;

(G) When the method of acquisition proposed by the Large-Scale Acquirer is such an oppressive method that the shareholders' opportunity for assessment or freedom may be restricted due to the structure of such method, as exemplified by two-tiered acquisition (acquisition of shares, etc., in a manner wherein the terms for the second-stage acquisition are set more disadvantageous or are unclear if all of the Company's shares, etc. are not acquired at the first stage of acquisition, or otherwise concerns of the future liquidity of the Company's shares, etc., are raised by suggesting delisting, etc., and thereby the shareholders are effectively coerced into accepting the acquisition) or a partial takeover bid (a takeover bid for not all but part of the Company's shares, etc.);

(H) When, as a result of the Large-Scale Acquirer's acquisition of control over the Company, it is expected that a relationship with not only the shareholders but also the parties contributing to the shareholders' common interests may be destroyed or impaired, and consequently, the shareholders' common interests may be substantially impaired, or it is determined on reasonable grounds that the shareholders' common interests may be substantially prevented from being ensured and enhanced; or when it is determined that, in comparison with a future corporate value in the mid- and long-term, the Company's corporate value resulting from the Large-Scale Acquirer's taking of control over the Company would be apparently inferior to the Company's corporate value where the Large-Scale Acquirer does not take control over the Company; or

(I) When it is determined on reasonable grounds that the Large-Scale Acquirer would be unsuitable as the Company's controlling shareholder; for instance, where the Large-Scale Acquirer's management or any of its major shareholders or investors is a party associated with antisocial forces or terrorist organizations.

3. No Initiation of Countermeasures

The Board of Directors shall not initiate the countermeasures in the following cases:

(1) when the shareholders (other than the relevant Large-Scale Acquirer) holding one-half or more of the voting rights of all the shareholders of the Company express their intention to accept the takeover bid;

(2) when the Board of Directors determines, as a result of having sufficient discussions and negotiations with the Large-Scale Acquirer, that such Large-Scale Acquirer is not an Abusive Acquirer;

(3) when the proposal for initiating the countermeasures under the Plan is rejected at the Shareholders' Will Confirmation Meeting held to determine whether to initiate the countermeasures under the Plan; or

(4) in such other event as the Board of Directors separately provides.

4. Abandonment of Countermeasures

The Board of Directors shall abandon the countermeasures in the following cases:

(1) when an ordinary resolution to agree to the Large-Scale Acquirer's proposal of acquisition is passed at the Shareholders' Will Confirmation Meeting;

(2) upon the unanimous agreement of all the members of the Independent Committee; or

(3) in such other event as the Board of Directors separately provides.

5. Contents of Countermeasures

The countermeasures shall take the form of gratuitous allotment of stock acquisition rights as set forth in Article 277 and subsequent provisions of the Companies Act (stock acquisition rights so allotted shall be referred to as "Stock Acquisition Rights" hereinafter). However, if it is determined to be reasonable to initiate other measures that the Board of Directors is authorized to take by the Companies Act or other laws or regulations or the Company's Articles of Incorporation, those measures may be taken.

Additionally, the outline of gratuitous allotment of Stock Acquisition Rights as the countermeasure against the Large-Scale Acquisition Action is as set out in Annex 5, and the exercise period, conditions for exercise, terms for acquisition, etc., such as the following, may be provided by taking into consideration their effectiveness as the countermeasures against the Large-Scale Acquisition Action: (i) an exercise condition to the effect that the right may not be exercised by any Excluded Party or (ii) terms for acquisition to the effect that if the Company acquires part of the Stock Acquisition Rights, the Company may only acquire the Stock Acquisition Rights held by the shareholders other than the Excluded Parties, and terms of acquisition to the effect that while the Company acquires the Stock Acquisition Rights held by the shareholders other than the Excluded Parties in exchange for the Company's common shares, the Company acquires the Stock Acquisition Rights held by the Excluded Parties in exchange for other Stock Acquisition Rights with certain conditions for exercise or terms for acquisition.

6. Independent Committee

The Independent Committee shall consist of at least three (3) members, and such members shall be appointed by the Board of Directors from among Outside Directors (including alternates thereof) and outside experts (such as attorneys, certified public accountants, and university professors), who shall be independent from the management operating the Company's business. In appointing the members of the Independent Committee from among the Outside Directors, those notified by the Company to Tokyo Stock Exchange, Inc. as Independent Officers shall be prioritized. Additionally, each such outside expert shall execute, with the Company, an agreement which shall include, among others, a clause to impose the fiduciary duty (*zenkan chui gimu*) toward the Company.

As a general rule, resolutions of the Independent Committee shall be adopted by the majority of the members present at a meeting where all the incumbent committee members are present. However, in the disability of any member of the Independent Committee, or if there is any other justifiable reason, such resolutions may be adopted by the majority of the members present at a meeting where the majority of the Independent Committee members are present.

7. Timely Disclosure

The Board of Directors shall, in accordance with applicable Laws and Regulations as well as the Financial Instruments Exchange Regulations, make appropriate and timely disclosure to the shareholders and investors of such matters as deemed necessary under the Plan.

8. Duration, Continuance, Abolishment, Amendment, etc., of the Plan

The Plan shall remain effective from the time when the proposal for approval of the continuance of takeover response policies under the Plan is approved and adopted at the 76th Ordinary General Meeting of Shareholders of the Company to be held on June 27, 2025 (hereafter referred to as the "Ordinary General Meeting of Shareholders") until the closing of the first meeting of the Board of Directors to be held after the ordinary general meeting of shareholders for the last fiscal year ending within two (2) years from the Ordinary General Meeting of Shareholders. However, at the time of the closing of that Board of Directors' meeting, if there is a party that is actually carrying out a Large-Scale Acquisition Action or a party that intends to carry out a Large-Scale Acquisition Action and is designated by the Independent Committee, then, in relation to the Large-Scale Acquisition Action that is being carried out or intended, the Plan shall continue to apply after the closing of the above-mentioned Board of Directors' meeting. Even before the expiration of such effective period, (i) if a proposal for abolishing the Plan is approved at a general meeting of shareholders of the Company based on the Company's proposal, or (ii) if the Board of Directors adopts a resolution to abolish the Plan, then the Plan shall be abolished at such time.

Additionally, at the first meeting of the Board of Directors to be held after the closing of the ordinary general meeting of shareholders of the Company after the Ordinary General Meeting of Shareholders, the Board of Directors shall, as needed, review the Plan to determine whether to continue, abolish, or amend the Plan, and if necessary, a resolution shall be adopted as required.

Furthermore, at a time other than the first meeting of the Board of Directors to be held after the closing of the above-mentioned ordinary general meeting of shareholders of the Company, the Board of Directors may, upon obtaining approval of the Independent Committee, reexamine or amend the Plan as needed to the extent considered reasonably necessary due to an amendment to Laws and Regulations as well as the Financial Instruments Exchange Regulations, or a change in the interpretation or operation of the foregoing, or a change in the taxation system, court cases, etc. However, when any material changes are made to the Plan, a proposal for approval of the introduction of the changed Plan shall be submitted to a general meeting of shareholders of the Company, and the changed Plan shall become effective subject to approval of the shareholders for that proposal.

(Annex 4)

Names and Brief Background Descriptions of Members of the Independent Committee
(in the order of the Japanese syllabary)

(i) Isao Ijuin Born in July 1939

<Brief Background Descriptions>

1964 Registered as attorney at law, joined Shozawa & Nagashima (now Nagashima Ohno & Tsunematsu)
1974 Cleary Gottlieb (Stagiaire)
1975 Partner of Nagashima Ohno & Tsunematsu
2004 Professor of Sophia Law School (resigned in 2010)
2004 Member of the Management Committee of Chiba University (resigned in 2010)
2005 Special Advisor of Nagashima Ohno & Tsunematsu (resigned in 2009)
2005 Outside Corporate Auditor of Pfizer Japan Inc. (resigned in 2018)
2005 Outside Corporate Auditor of Stryker Japan Holdings K.K. (now Stryker Japan Co., Ltd.) (resigned in 2009)
2005 Outside Corporate Auditor of Mitsui Chemicals, Inc. (resigned in 2013)
2007 Member of the Company's Independent Committee (current position)

* There is no transfer of money between Isao Ijuin and the Company except for compensation as a member of the Independent Committee.

(ii) Youichi Takei Born in June 1961 *Outside Director of the Company

<Brief Background Descriptions>

1993 Registered as attorney at law, joined Iwata Godo (resigned in 2000)
2000 Partner of Meitetsu Law Offices (current position)
2003 Outside Corporate Auditor of the Company (resigned in 2013)
2006 Outside Corporate Auditor of YAMAKIN (JAPAN) CO., LTD. (current position)
2007 Member of the Company's Independent Committee (current position)
2013 Outside Director of the Company (current position)
2020 Outside Director of Daio Paper Corporation (current position)
2022 Outside Corporate Auditor of Nippon Export and Investment Insurance (current position)

* There is no transfer of money between Youichi Takei and the Company except for compensation as an Outside Director.
* The Company notified Tokyo Stock Exchange, Inc. that Youichi Takei is an Independent Officer as required by the Exchange. Youichi Takei is a candidate for Outside Director. If he is reappointed as an Outside Director at the Company's 76th Ordinary General Meeting of Shareholders to be held on June 27, 2025, he will continue serving as an Independent Officer. In this case, there will be no transfer of money between Youichi Takei and the Company except for compensation as an Outside Director.

(iii) Taketo Nasu Born in August 1968 *Outside Corporate Auditor of the Company

<Brief Background Descriptions>

1996 Registered as attorney at law, joined Yuasa Law & Patent Office (now YUASA and HARA) (resigned in 2009)
2001 Registered as attorney at law in the State of New York, U.S.A.
2006 Lecturer of Toin University of Yokohama Law School (resigned in 2014)
2009 Partner of Blakemore & Mitsuki (current position)
2013 Outside Corporate Auditor of the Company (current position)
2013 Member of the Company's Independent Committee (current position)
2014 Instructor of the Legal Training and Research Institute of the Supreme Court (resigned in 2017)

* There is no transfer of money between Taketo Nasu and the Company except for compensation as an Outside Corporate Auditor.
* The Company notified Tokyo Stock Exchange, Inc. that Taketo Nasu is an Independent Officer as required by the Exchange. Taketo Nasu is a candidate for Outside Director who is an Audit and Supervisory Committee member. If he is appointed as an Outside Director who is an Audit and Supervisory Committee member at the Company's 76th Ordinary General Meeting of Shareholders to be held on June 27, 2025, he will continue serving as an Independent Officer. In this case, there will be no transfer of money between Taketo Nasu and the Company except for compensation as an Outside Director.

(iv) Atsuko Noda Born in January 1961 *Outside Director of the Company

<Brief Background Descriptions>

1983 Joined Japan Airlines Co., Ltd.
1991 Purser of the above company (resigned in 1994)
1994 Established Henkel & Grosse Japan Representative Office, Representative in Japan (resigned in 1995)
1995 Established Japan Duty Free Service LLC (now Grosse Japan Inc.), Representative Director
2002 Representative Director and CEO of Grosse Japan Inc. (current position)
2022 Outside Director of the Company (current position)

* There is no transfer of money between Atsuko Noda and the Company except for compensation as an Outside Director.
* The Company notified Tokyo Stock Exchange, Inc. that Atsuko Noda is an Independent Officer as required by the Exchange. Atsuko Noda is a candidate for Outside Director. If she is reappointed as an Outside Director at the Company's 76th Ordinary General Meeting of Shareholders to be held on June 27, 2025, she will continue serving as an Independent Officer. In this case, there will be no transfer of money between Atsuko Noda and the Company except for compensation as an Outside Director.

(v) Kazuhisa Hayashida Born in December 1973 *Outside Corporate Auditor of the Company

<Brief Background Descriptions>

1997 Joined Tokyo Electron Ltd. (resigned in 2002)
2006 Joined Misuzu Audit Corporation
2007 Jointed Shin Nihon & Co. (now Ernst & Young ShinNihon LLC) (resigned in 2014)
2014 Established Kazuhisa Hayashida CPA Office, Head of the office (current position)
2016 Outside Director (Audit & Supervisory Committee member) of Nippon Engineering Consultants Co., Ltd. (resigned in 2021)
2017 Outside Corporate Auditor of BlueMeme Inc. (resigned in 2024)
2019 Outside Corporate Auditor of the Company (current position)
2019 Member of the Company's Independent Committee (current position)
2020 Outside Corporate Auditor of Manabi-Aid Co., Ltd. (current position)
2021 Outside Director (Audit & Supervisory Committee member) of DN HOLDINGS CO., LTD. (current position)

* There is no transfer of money between Kazuhisa Hayashida and the Company except for compensation as an Outside Corporate Auditor.
* The Company notified Tokyo Stock Exchange, Inc. that Kazuhisa Hayashida is an Independent Officer as required by the Exchange. Kazuhisa Hayashida is a candidate for Outside Director who is an Audit and Supervisory Committee member. If he is appointed as an Outside Director who is an Audit and Supervisory Committee member at the Company's 76th Ordinary General Meeting of Shareholders to be held on June 27, 2025, he will continue serving as an Independent Officer. In this case, there will be no transfer of money between Kazuhisa Hayashida and the Company except for compensation as an Outside Director.

(Annex 5)

OUTLINE OF GRATUITOUS ALLOTMENT OF STOCK ACQUISITION RIGHTS

1. Shareholders to whom allotment may be made:
One (1) stock acquisition right shall be gratuitously allotted for each one (1) of the shares (other than the Company's common shares held by the Company) held by the shareholders (excluding the Company) stated or registered on the last register of shareholders on the record date to be separately determined by the Board of Directors.

2. Class and number of shares to be acquired upon exercise of stock acquisition rights:
The type of shares to be acquired upon exercise of stock acquisition rights shall be common shares of the Company, and the number of common shares to be so acquired shall be one (1) share for each stock acquisition right.

3. Effective date of gratuitous allotment of stock acquisition rights:
To be separately determined by the Board of Directors.

4. Value of property to be invested upon exercise of each stock acquisition right:
The form of investment to be made upon exercise of stock acquisition rights shall be cash, and the amount to be invested upon exercise of one (1) stock acquisition right shall be one (1) yen for each common share of the Company.

5. Restriction on transfer of stock acquisition rights:
Stock acquisition rights shall only be transferred with the approval of the Board of Directors.

6. Conditions for exercise of stock acquisition rights:
Conditions for exercise of stock acquisition rights shall be separately determined by the Board of Directors (it is noted that exercise conditions may be attached by taking into consideration their effectiveness as the countermeasures against the Large-Scale Acquisition Action, such as an exercise condition to the effect that the right may not be exercised by certain Large-Scale Acquirers set forth by the Board of Directors in accordance with the prescribed procedures, or such Large-Scale Acquirer's co-holder or special interested party (*tokubetsu kankeisha*), or such party as recognized by the Board of Directors as the party which any of the foregoing parties substantially controls or which operates in collaboration with or in coordination with any of the foregoing parties (each of the aforementioned parties shall be hereinafter referred to as an "Excluded Party").

7. Acquisition by the Company of stock acquisition rights:
Acquisition clauses may be attached by taking into consideration their effectiveness as the countermeasures against the Large-Scale Acquisition Action, such as a clause to the effect that the Company may, pursuant to the resolution of the Board of Directors, acquire all of the stock acquisition rights or only the stock acquisition rights held by the shareholders other than the Excluded Parties, and terms of acquisition to the effect that while the Company acquires the Stock Acquisition Rights held by the shareholders other than the Excluded Parties in exchange for the Company's common shares, the Company acquires the Stock Acquisition Rights held by the Excluded Parties in exchange for other Stock Acquisition Rights with certain conditions for exercise or terms for acquisition, on condition that any of the following occurs: when the Large-Scale Acquirer violates any of the Large-Scale Acquisition Rules; when any of the other prescribed events occurs; or when any date separately specified by the Board of Directors arrives.

8. Reasons for gratuitous acquisition of stock acquisition rights (reasons for abandonment of the countermeasures):
The Company may gratuitously acquire all of the stock acquisition rights upon the occurrence of any of the following events:
   (a) when an ordinary resolution to agree to the Large-Scale Acquirer's proposal of acquisition is passed at the Shareholders' Will Confirmation Meeting;
   (b) upon the unanimous agreement of all the members of the Independent Committee; or
   (c) in such other event as the Board of Directors separately provides.

9. Exercise period and other matters in respect of stock acquisition rights:
The exercise period and other necessary matters in respect of the stock acquisition rights shall be separately determined by the Board of Directors, such as by taking into consideration their effectiveness as the countermeasures against the Large-Scale Acquisition Action.

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